# THE CHINA WEEKLY REVIEW

密勒氏評論報

A Weekly Newspaper Established in 1917

*March 15, 1941*


## French Indo-China Loses 18,000 Square Miles to Thailand by Tokyo Pact

## Lease-Lend Bill—Full Text

## Bid for American Club

## Shanghai Loses More Ships

BY JOHN AHLERS

## Japanese Foreign Minister Leaves for Conversations in Rome and Berlin


VOLUME 96 PRICE 80 CENTS (in China) NUMBER 2

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# What People Are Saying

**Comments from readers on current topics are cordially invited; their opinions, however, do not necessarily represent the views of *The China Weekly Review*.**

## REAL MOTIVES

*To the Editor:*

There is a naive but really dangerous over-simplification of matters regarding the "disbandment" of the New Fourth Army. The two letters which appeared in your last issue are only examples of how a superficial understanding of the situation can blind us to the fact of un-precedented crisis in China's struggle against Japan. Anybody who keeps himself in touch with present-day events and reports over the world knows what kind of an army the New Fourth is. He cannot feel satisfied with the "official version" of the accusation, if he reflects for a little while.

No patriotic Chinese can doubt the firm anti-Japanese stand of the Generalissimo himself, of course. But not all of the Kuomintang leaders are as patriotic as he is. There are certain pro-axis and pro-Japanese elements who are so afraid of losing their lofty positions and terribly large fortunes as a consequence of prolonged resistance that they are wicked enough to betray the whole people of China by making China capitulate. With the Generalissimo firmly wanting to fight to China's final victory and with the masses of the Chinese people undiscouraged in spite of their tremendously heavy losses and suffering—but demanding the driving of the invaders out of the whole of China, including Manchuria, it is a hard job for the Chinese capitulationists! Some of them have openly announced their "love for peace" and are serving as shameless government officials in Nanking. Others rather prefer to keep on wearing the mask of anti-Japanism for the time being, while at the same time trying to cause internal breaches in China's forces of resistance. They have already succeeded to a certain extent. If they are allowed to go further, i.e., if they can succeed making Kuomintang-Communist relationship still worse, what more need they to worry? A civil war will happen and the cause of national resistance will then have to be given up. Even now, the Sino-Japanese military situation is at a stalemate—an undeclared truce within the framework of the undeclared war.

We must remember that unity is a pre-requisite to China's war of resistance. The famous axiom that anti-Communism is synonymous with surrender was declared three years ago by no other than the Generalissimo himself.

The trick of the capitulationists suits the appetite of the German and Japanese rascists too. It is significant that the armed clashes between the New Fourth Army and the Central Government troops happened at a time when the axis powers were making ready for a world-wide gamble against the democracies. The intensified internal friction in China only makes it easy for Japan to concentrate more military and other forces for her southward expansion. To stop Japanese aggression in the south and to prevent war on the Pacific, the friction-makers in China must be stopped, besides doing other things. Great Britain and USA should make it clear that their aid to China is not for her to increase internal strife, but for use in fighting the Japanese.

Thus, to be truly patriotic, we must not accept things at their face value. We must look deeply into the real motives behind "military discipline".

March 9, 1941

H. W.

## CONFIDENCE

*To the Editor*

We are in for a right grim struggle But having experienced Hitler's air blitzes in London and other cities and having witnessed the magnificent way the population at large is standing up to this type of warfare—as in China—I am completely confident that Chamberlain was right when he said that Hitler "had missed the bus." He will never conquer England. Morever, as months roll by, we shall amass the necessary equipment to deal effectively with the Beast of Berlin on his own territory.

Without giving away any secrets I can say that the R.A.F. is expanding by leaps and bounds not only in personnel and planes but in sheer unit striking power. The bombings of our fair cities are sad as anything I have seen in China. On the other hand much of the destruction was to property that needed rebuilding anyway. The adaptability of the Briton to this period of frightfulness is superb and I am continually reminded of that staunch spirit of determination to see the thing through at any cost that is so familiar to us in China.

The position in Indo-China is hopeless unless America brings economic presure to bear on Japan. Now the Presidential Election is over and Roosevelt is in for a third term it can only be hoped that the U.S.A. will not make the mistake we made in Sept. 1938. America and Britain whether they like it or not, will sink or swim together. American assistance is already playing an important part in our ability to wage effective war on the enemy. It will grow. It must grow if we—the English-speaking people of the world—are to survive. Pearl Buck has a most illuminating article in the October "**Foreign Affairs.** How heartily I endorse her findings.

GERALD SAMSON

c/R.A.F. Britain,
Dec. 15, 1940.


## THE CHINA WEEKLY REVIEW

Cable Address "REVIEWING SHANGHAI"

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## MEDIATION

*To the Editor:*

The people in Chungking are not concerned by the report that the Japanese deputy spokesman Koh Ishii had announced that "Japan is prepared to mediate anywhere in the world....". Such an offer of mediation by Japan would be a funny and strange thing. If it were not from the mouth of the Japanese spokesman it would be unbelievable. Japan being the first peace-breaker, waging war on China, has no qualifications to propose any mediation.

But why does Japan propose mediation?

(1) Owing to pressure by Britain, America and Austraila resulting from Japan's attempt to push southward, the Nipponese wish to gain time.

(2) Japan wishes to soothe both Britain's and America's wrath and cheat them with a peace-attack for a short time and then later on attack and occupy their colonies when they are unprepared.

(3) Japan's war in China having been prolonged her limited strength makes it necessary to liquidate this struggle.

Regardles of her motives, Britain, America and other democracies, which have stood in the same line with us in resisting aggresion, should not believe a single Japanese word but should watch her closely all the and be ready to beat her to death because aggressors like Japan should be punished severely otherwise there would be no peace in East Asia.

M.W.F.

Chungking, Feb. 22nd, 1941

### AMERICAN STOCK AND COMMODITY QUOTATIONS

**March 12, 1941**

*STOCKS*

| | |
|---|---|
| Amer. Locomotive | 13⅝ |
| Amer. Waterworks | 5⅝ |
| Anaconda Copper | 24⅜ |
| Bethlehem Steel | 79¼ |
| Chrysler | 67⅜ |
| Elec. Bond & Sh. | 3⅜ |
| Gen. Motors | 43½ |
| Goodyear T. & R. | 18⅜ |
| Gt. Nthrn. Rly., pfd. | 25 |
| Lockheed Aircraft | 24 |
| Mont. Ward | 37⅛ |
| N. Y. Central | 12¾ |
| Texas Corp | 35¼ |
| U. S. Steel | 57¾ |

*COMMODITIES*

| | |
|---|---|
| New York Cotton, Mar. | 10.72/72 |
| New York Rubber, May | 21.75B/90A |
| New York Hides, June | 13.71/72 |
| Chicago Wheat, May | 68/85⅞ |
| Chicago Corn, May | 62½/62⅝ |
| New York Sugar, No. 4, May | 0.72½B/73½A |

*B—Bid. A—Asked.*


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### NATIONAL CITY BANK OF NEW YORK EXCHANGE RATES

**Shanghai Rate of Exchange, during March 7—13, 1941**

| | Fri. | Sat. | Mon. | Tue. | Wed. | Thur. |
|---|---|---|---|---|---|---|
| Demand Selling rate on N.Y. ... ... U.S.$1. | =Sh.$18.39 | =Sh.$18.39 | =Sh.$18.18 | =Sh.$18.18 | =Sh.$18.39 | =Sh.$18.18 |
| Demand Buying rate on N.Y. ... ... U.S.$1. | =Sh.$17.98 | =Sh.$17.98 | =Sh.$17.78 | =Sh.$17.78 | =Sh.$17.98 | =Sh.$17.78 |
| Demand Selling rate on London ... £1-0-0 | =Sh.$71.77 | =Sh.$71.77 | =Sh.$71.11 | =Sh.$71.77 | =Sh.$71.77 | =Sh.$71.11 |
| Demand Buying rate on London ... £1-0-0 | =Sh.$69.82 | =Sh.$69.82 | =Sh.$69.19 | =Sh.$69.19 | =Sh.$69.82 | =Sh.$69.19 |

### HONGKONG & SHANGHAI BANKING CORPORATION

**Selling rate during March 7—13, 1941**

| | | | | | | |
|---|---|---|---|---|---|---|
| Shanghai $100. equals Yen ... ... ... ... | 23⅛ | 23⅛ | 23⅜ | 23⅜ | 23⅛ | 23⅜ |
| Shanghai $100. equals Guilders ... ... ... | 10⅛ | 10⅛ | 10¼ | 10¼ | 10⅛ | 10¼ |
| Shanghai $100. equals Rupees ... ... ... | 18½ | 18½ | 18⅝ | 18¾ | 18½ | 18⅝ |
| Shanghai $100. equals Pesos ... ... ... ... | 11⅞ | 10⅞ | 11 | 11 | 10⅞ | 11 |
| Shanghai $100. equals Hongkong $ ... ... | 22¼ | 22¼ | 22¼ | 22⅜ | 22¼ | 22⅜ |

THE CHINA WEEKLY REVIEW
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# AMERICA ALSO ADOPTS "NEW DEAL" THE LEND-LEASE BILL

THE U. S. Senate, upper branch of the American Congress passed the Lend-Lease Bill late on Saturday evening, March 8. The final vote, after disposing of various amendments, was 60 to 31. Those who voted for the measure included 49 Democrats and 10 Republicans, among the Republicans supporting the measure being Senator Charles A. McNary of Washington state, who was the running mate of Mr. Wendell L. Willkie in the late presidential election. Mr. Willkie, who recently make an inspection trip to Great Britain, announced his approval of the Bill. One Independent senator also supported the measure, thus making the the vote a round sixty. Opposed were 13 Democrats, members of President Roosevelt's party, 17 Republicans and one Progressive, making a total of thirty-one. The bill was thus carried by practically a 2 to 1 vote.

Variously described as the "Lend-Lease," and "Aid-To-The-Democracies" Bill, the measure carries the actual title—"An Act to Promote the Defense of the United States."

The full text of the measure appears on the following page, but its most important provisions may be summarized as follows:

**1.—The U. S. Government is authorized to manufacture in arsenals, factories and ship-yards, any defense article for any country whose defense the President considers vital to the defense of the United States. (For the present this provision refers to Britain, Greece and China.)**

**2.—The President is authorized to sell, transfer, exchange, lease, lend or otherwise dispose of, to any of these countries, any defense article on hand or to be manufactured in the future during the emergency.**

**3.—The Government is authorized to test, inspect, outfit, or repair any defense article for any of these governments. (This presumably includes the possibilities of overhauling British vessels — mainly merchant vessels — in American yards.)**

**4.—The Government is authorized to communicate to these nations any information pertaining to defense or defense building.**

**5.—The Government is authorized to release any defense article for export to these countries.**

Since the Bill previously had been passed by the House of Representatives in somewhat different form, it was immediately referred to a conference committee composed of representatives of the two houses and was repassed by the House and signed by the President on Tuesday night, March, 11.

Amendments designed to clarify certain provisions in the Act, or to restrict the President's powers in enforcing it, were as follows:

**1.—The President must consult the Army Chief of Staff and Navy Chief of Operations prior to disposition of United States articles.**

**2.—Not more than US$1,300,000,000 worth of United States defense articles may be disposed of, with the value of each article to be determined by the head of the department concerned.**

**3.—Conditions of disposal may be determined by the President—they may consist of payment in kind or other property "or any other direct or indirect benefit which the President deems satisfactory."**

**4.—Presidential powers under the bill will end June 30, 1943, or may be terminated any time both Houses of Congess express desire, by a simple majority vote, to terminate them.**

**5.—Transferred articles may not be given away or transferred to another country.**

**6.—The President must report to Congress at least once every 90 days.**

"The Writing on the Wall"

*Washington Post*

**7.—Congress must authorize or appropriate funds for procurement of all new articles for foreign Governments.**

**8.—No authorization is implied for allowing United States ships to be used as convoys in belligerent zones.**

**9.—There is no change intended in existing laws covering use and disposition of United States Armed forces.**

**As originally introduced in both Houses on January 10, the bill included a provision for repairing and outfitting British warships in American shipyards and a clause asserting provisions of the measure would be applicable "notwithstanding provisions of any other law."**

**Authorities interpreted the latter provision as waiving the Neutrality Law and the Johnson Act insofar as to permit lending munitions, interchange of defence information and outfitting belligerent battleships in U.S. harbors.**

**"Defence articles are defined as any weapon, munition, aircraft, vessel, machinery, facility, tool, material or supply necessary for manufacture, production, processing, repair and servicing operations."**

According to a summary by *United Press* President Roosevelt stated that he did not seek the vast powers provided in the Bill, but he realized that "somebody obviously must have it." *He also* said that the new legislation would not imply repealing the Johnson Act,

"The Face of America Is Changing"

*New York Times*

which bans credits to nations which had defaulted on their World War debt interest. However, the new measure reads, "Notwithstanding any other law, the President may, from time to time, when he deems it to the interest of our national defense, authorize the Secretaries of War and the Navy, or the head of any other department to manufacture in arsenals any article for defense, etc., etc., (see summary in the foregoing)

Another important development was the passage by the Senate of a provision introduced by Senator Barkley "to include farm products among defense articles transferrable abroad." This amendment was not included in the provision restricting defense stocks transferrable abroad to a value of US$1,300,000,000.

Two proposals introduced at the last moment by Senator Robert A. Taft, to substitute an outright loan of US$2,000,000,000 to Britain, Canada and China, and a proposal by Senator Bennett Champ Clark of Missouri to insert in the Democratic Party platform a clause "not to participate in foreign wars or send our Army, Navy or Air forces to fight in foreign lands outside the Americas except in event of attack," were defeated. Another amendment by Senator Taft to forbid use of American ports by British ships also was defeated. The Senate adopted a proposal authorizing the President to use private agencies to test defense materials; the bill restricted such tests to government agencies.

The Lend-Lease Bill was introduced by Senator Barkley in the Senate and by Representative John W. McCormack, of Massachusetts, in the House.

## Chinese Insurance Companies Want Club for Head Office

A representative of the Tai Ping Insurance Company, Ltd., Chinese-owned enterprise, stated this week that its offer of Ch.$2,000,000 for the building and land owned by the American Club, 209 Foochow Road, was for the purpose of obtaining a head office building for a group of Chinese insurance companies which are now occupying separate premises in various parts of the downtown district.

The insurance companies, all of which are affiliated with the Kincheng Banking Corporation and other banks, and have a combined capital of Ch.$7,000,000, include: Taiping Insurance Company, Taiping Life Insurance Company, Anping Insurance Company, Foong Sheng Insurance Company, China National Insurance Company. Aside from the Kincheng Bank, headed by T. M. Chow, five other Chinese banks are stockholders in the insurance companies —Bank of Communications, Central Bank, China and South Seas Bank, China State Bank and the Tunglai Bank. The Kincheng Bank, Bank of Communications, Central Bank, China and South Seas Bank are the chief stockholders.

The offer to purchase the American Club property, located adjacent to the Central Police Department and opposite the Municipal Building, in the center of the downtown area was made through the China Realty Company. The proposal caused a controversy among the members of the Club when a resolution concerning the sale was brought before the members at an extraordinary general meeting. Since T. M. Chow, head of the Tai Ping Insurance Company and the Kincheng Bank, once headed a Sino-Japanese Economic Society, it was alleged that Japanese interests were behind the offer to purchase the American Club property. This charge was denied by Y. D. Wong, Secretary of the Chinese insurance group.

# President Roosevelt's Lend-Lease Plan to "Beat-the-Axis"

*(Full Text of Notable Congressional Enactment)*

A BILL—NO. 1776

Further to promote the defense of the United States, and for other purposes.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That this Act may be cited as "An Act to Promote the Defense of the United States."

SECTION 2

As used in this Act—

(a) The term "defense article" means—

(1) Any weapon, munition, aircraft, vessel, or boat;

(2) Any machinery, facility, tool, material, or supply necessary for the manufacture, production, processing, repair, servicing, or operation of any article described in this subsection;

(3) Any component material or part of or equipment for any article described in this subsection;

(4) Any other commodity or article for defense. Such term "defense article" includes any article described in this subsection: Manufactured or procured pursuant to section 3, or to which the United States or any foreign government has or hereafter acquires title, possession, or control.

(b) The term "defense information" means any plan, specification, design, prototype, or information pertaining to any defense article.

SECTION 3

(a) Notwithstanding the provisions of any other law, the President may, from time to time, when he deems it in the interest of national defense, authorize the Secretary of War, the Secretary of the Navy, or the head of any other department or agency of the Government—

(1) To manufacture in arsenals, factories, and shipyards under their jurisdiction, or otherwise procure, any defense article for the government of any country whose defense the President deems vital to the defense of the United States.

(2) To sell, transfer, exchange, lease, lend, or otherwise dispose of, to any such government any defense article.

(3) To test, inspect, prove, repair, outfit, recondition, or otherwise to place in good working order any defense article for any such government.

(4) To communicate to any such government any defense information, pertaining to any defense article furnished to such government under paragraph (2) of this subsection.

(5) To release for export any defense article to any such government.

(b) The terms and conditions upon which any such foreign government receives any aid authorized under subsection (a) shall be those which the President deems satisfactory, and the benefit to the United States may be payment or repayment in kind or property, or any other direct or indirect benefit which the President deems satisfactory.

SECTION 4

All contracts or agreements made for the disposition of any defense article or defense information pursuant to section 3 shall contain a clause by which the foreign government undertakes that it will not, without the consent of the President, transfer title to or possession of such defense article or defense information by gift, sale, or otherwise, or permit its use by anyone not an officer, employe, or agent of such foreign government.

SECTION 5

The Secretary of War, the Secretary of the Navy, or the head of any other department or agency of the Government involved shall, when any such defense article or defense information is exported, immediately inform the

"So That's Settled"

*The Washington Post*

"How It Has Grown"

*Collins in Montreal Gazette*

department or agency designated by the President to administer section 6 of the Act of July 2, 1940 (54 Stat. 714), of the quantities, character, value, terms of disposition, and destination of the article and information so exported.

SECTION 6

(a) There is hereby authorized to be appropriated from time to time, out of any money in the Treasury not otherwise appropriated, such amounts as may be necessary to carry out the provisions and accomplish the purpose of this Act.

(b) All money and all property which is converted into money received under section 3 from any government shall, with the approval of the Director of the Budget, revert to the respective appropriation or appropriations out of which funds were expended with respect to the defense article or defense information for which such consideration is received, and shall be available for expenditure for the purpose for which such expended funds were appropriated by law, during the fiscal year in which such funds are received and the ensuing fiscal year.

SECTION 7

The Secretary of War, the Secretary of the Navy, and the head of the department or agency shall in all contracts or agreements for the disposition of any defense article or defense information fully protect the rights of all citizens of the United States who have patent rights in and to any such article or information which is hereby authorized to be disposed of and the payments collected for royalties on such patents shall be paid to the owners and holders of such patents.

SECTION 8

The Secretaries of War and of the Navy are hereby authorized to purchase or otherwise acquire arms, ammunition, and implements of war produced within the jurisdiction of any country to which section 3 is applicable, whenever the President deems such purchase or acquisition to be necessary in the interests of the defense of the United States.

SECTION 9

The President may, from time to time, promulgate such rules and regulations as may be necessary and proper to carry out any of the provisions of this Act; and he may exercise any power or authority conferred on him by this Act through such department, agency, or officer as he shall direct.

# Most Important American Action Since President Wilson's Declaration of War in 1917

THE Lend-Lease, or "Beat-The-Axis" Bill, most important action of the American Government in international affairs since President Woodrow Wilson's declaration of War on the Central Powers was approved by Congress on April 6, 1917—practically 24 years ago—constitutes President Roosevelt's and vast majority of the American people's answer to European and Asiatic dictators. Aside from its possible consequences, the most important immediate effect of the Bill (now an Act) is psychological, based on the element that a free deliberative body of elected representatives of the people of a free democratic nation were responsible for it.

The American Congress, greatest deliberative body in the world, devoted exactly two months to its consideration of the most important question facing mankind today: the question whether to adopt a policy of appeasement, or to oppose by all possible methods short of war, a combination of European and Asiatic dictators, who already have enslaved their own and neighboring peoples in a manner unknown to the world since the hordes of Genghis Khan swept over most of Asia and a considerable portion of Europe. Whether or not the Congressional enactment results in America's eventual entrance into the war, the outstanding factor which is is bound to have repercussions on the minds of mankind, irrespective of race or creed, is that a free legislative body, after full and frank deliberation, voted overwhelmingly to go to the assistznce of another nation—Great Britain.

An examination of the arguments, for and against the Lend-Lease Bill, indicated that a great majority clung to the central thought, that England's fate vitally affected America's; that England was in danger and the danger called for swift and sweeping action; that this action called for leadership, which was so sorely lacking in many other nations, and that President Roosevelt, elected to office for a third term, was the man to take the helm in a struggle which has become world-wide and affects the lives of all peoples.

It was significant, that while opinion was almost unanimous, as indicated in innumerable polls of public sentiment, the minority view also was sustained in the final Act, that the Chief Executive's powers should be restricted sufficiently to preserve the democratic tradition. But while doing this, it is a fact nevertheless, that President Franklin D. Roosevelt—facing the world's greatest crisis—has been given powers more absolute than ever given to George Washington, Abraham Lincoln, or even Woodrow Willson in the last World War. Regarded as an advertisement of the Democratic System, we venture that the people of the world, if permitted to vote on the subject, would express preference for this system rather than the Axis system which permitted a small clique in Nazified Germany to overrun Poland, Holland, Belgium Denmark, or a Fascist Italy to overrun and spread poison gas on primitive Abyssinians; or a war-crazed clique of Japanese militarists to

First Defense Posters in U. S. A.

**First of a series of defense posters displayed throughout the United States to arouse interest in the defense program and the part played by the nation's industrial interests.**

# Yugoslavia Now Declared Not Joining Axis Despite Nazi Declarations; British Party From Bulgaria "Bombed"

Despite Nazi assertions to the contrary, Belgrade authorities quoted by both *United Press* and *Reuter* last Thursday declared that Yugoslavia was steadfastly refusing to invite British attacks by joining the Axis.

Yugoslavia would not sign the Tripartite pact even if directly asked to do so, according to well-informed quarters in the capital.

There is no reason to believe that Germany has already made a definite demand for Yugoslavia's signature, nor is it confirmed that German pressure on Belgrade has been intensified.

It is still considered likely that the Premier and Foreign Minister will visit Vienna within the next few days, but rumours that aircraft already have arrived to take them are unfounded.

The postponent of the Yugoslav statemen's trip was attributed to negotiations as to what form the declaration following such a meeting would take, says *Reuter*.

### Germans Defied

Diplomatic activity in Belgrade was becoming increasingly intense as more and more emphatic confirmation was received from every side that neither the people nor the army of Yugoslavia would tolerate any loss of integrity to Germany.

No German newspapers were on sale either on Monday or yesterday, thus supporting suggestions that the German press is now attacking Yugoslavia. Normally, German news papers are flown to Belgrade daily.

The highest Yugoslav statesmen were to meet at the White Palace Thursday for discussion of the international position of the country, informed quarters said.

This meeting resulted from the decision to take a firmer stand regarding the fullest Yugoslav sovereignty and independence, they added.

Meanwhile, the rumoured departure of Yugoslav statesmen to Germany was still indefinite.

### Bombs Explode

Two bombs blew out the front of the Palace hotel in Istanbul on Tuesday at 10 p.m., immediately after the arrival of Mr. George William Rendel, British Minister to Bulgaria, and his party. Six British diplomats were injured.

Three persons were killed, at least six others were seriously injured and 30 in all were wounded, but Mr. Rendel was not hurt. The hotel was set afire. Ten people were taken to the police station.

The bombs, says *United Press*, were contained in three suitcases which accompanied the British party from Sofia but the possessor of the suitcases was unknown.

One bomb was found in a suitcase and removed before it exploded. The bomb, it was estimated, weighed 250 pounds.

The names of the British injured, said a mesage to the "New York Times," are given as Mr. George Paton, Consul-General in Istanbul, Mr. C. H. Page, Istanbul vice-consul, Rev. A. Bell, pastor of the British legation in Sofia, Mr. H. A. Burman, consul-general at Sofia, Miss Nora Stern, stenographer from the British legation in Sofia, and Miss Gertrude Ellis, also from Sofia.

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sanction the massacre of thousands of defenceless people within the walls of Nanking, or to order the unrestricted airbombing of thousands of undefended towns and villages!

The well informed magazine *Business Week* in early comment forecasted that, "Back of the whole vast scheme for closer defense cooperation between the two countries which is epitomised in the Lend-Lease Bill, is a growing realization on the part of American business that it is headed for a period of intensive economic collaboration with Britain which is likely to extend for some time after the war. Whether this prolongation of a wartime emergency is caused by the necessity of fighting an economic war after the shooting has stopped or by the need for reconstruction planning on a scale which neither country can handle alone, little groups of farsighted exectuives and economic planners are already talking quietly behind the scenes about reconstruction and world trade relations after the war. To these people, aid for Britain on the scale outlined in Lend-Lease measure, was a foregone conclusion for many weeks, prior to the introduction of the Bill.

At one of the hearings on the Bill before a committee of the House Secretary of State Hull was asked for a definition of American policy. He replied:

**1.—Peace and security for the United States, with advocacy of peace, and limitation and reduction armament as universal international objectives.**

**2.—Support for law, order, justice and morality and the principle of non-intervention.**

**3.—Restoration and cultivation of sound economic methods and relations, based on equality of treatment.**

**4.—Development in the promotion of these objectives, of the fullest measure of international cooperation.**

**5.—Promotion of the security, solidarity and general welfare of the Western Hemisphere.**

Elaborating on conditions which had made passage of the Bill necessary, Secretary Hull outlined the course of world events—since 1931 when Japan moved, arbitrarily, into China's northeastern provinces—and declared.

**"Mankind is today face to face, not with regional wars or isolated conflicts, but with an organized, ruthless and implacable movement of steadily expanding conquest. The most serious question today for America is whether the control of the high seas shall pass into the hands of powers bent on a program of unlimited conquest."**

At a later date, prior to the conclusion of the congressional debates, Secretary Hull made a further statement concerning American policy toward the countries of the Far East. His statement, issued by Maxwell Hamilton of the State Department, was:

**"The policy of this country toward the countries of the Far East, as toward countries in all parts of the world, has been and is based upon the fundamental beliefs and attitude of our people as a whole. The early settlers came to this continent in order to find and to enjoy greater opportunities. Our forefathers believed strongly—as do we—in equality of opportunity and in the worth of the individual. They believed also—as do we—in the regulation of human contacts by peaceful processes. This country has sought through its foreign policy to give expression to these beliefs.**

**"In our relations with the Far East as elsewhere this country has had two main ends in view: the promotion and protection of legitimate American rights and inerests on the basis of respect for the legitimate righs and interests of other countries; and the furtherance of peaceful and mutually beneficial relations among the members of the family of nations. In seeking to attain these ends this country has favored equality of opportunity, respect for national sovereignty and faithful observance of treaties as the basis of a really durable international order.**

**"Our relations with the Far East have brought, along with benefits, problems that have arisen from time to time. In the recent period, during most of the last ten years, two countries of that region have unhappily been engaged in political and military conflict. Still more recently the area of conflict has been spreading to neighboring regions.**

**"At such a time there is great need for informed and intelligent discussion of Far Eastern questions. A broad, calm and reasoned approach to those questions—social and cultural as well as economical and political—will I think assist in furthering understanding of the relationships between this country and the countries of the Far East and of our deep and natural concern in the problems of that area."**

# Shanghai Hard Hit By Calling Off of British Shipping; High Freight Rates Follow; No Profiteering Seen

BY JOHN AHLERS

Trans-Pacific freight rates for practically all commodities this month experience increases varying from 15 to 25 percent, and prospects are that further increases in these rates will follow shortly. Charges of profiteering against trans-Pacific shippers appears to be unjust. Freight rates all over the world, and in particular in Pacific waters, still remain far below the record rates quoted during the first Great War's most critical periods. Trans-Pacific rates, moreover, are low as compared with some of the rates asked and paid in Far Eastern coastal shipping.

Freight from Saigon to Shanghai, for instance, pays the same rate that is being paid by Shanghai-San Francisco cargo for a run three times as long. In shipping from Shanghai to Wenchow, freight rates have been paid as high as U.S.$35 per ton, i.e. considerably more than any commodity is required to pay for transport across the broad Pacific. In brief, trans-Pacific freight rate increases appear justified by the increasing scarcity of bottom space in all corners of the world's vastest ocean.

### Awkward Decision

Confronted with an awkward choice between either considerably higher freight rates or further reduction in offerings of cargo space, Shanghai certainly decides in favor of the former. Largely cut off from the hinterland by the acts and effects of the Japanese "new order" policy, the mainstay of Shanghai business today is economic intercourse with the outside world, which means maritime intercourse. Shanghai has to maintain her present foreign shipping, and even has to attract additional bottom space, if what remains of local business prosperity is not to disappear. The chief means by which Shanghai can possibly attract more foreign shipping is through preparedness to pay higher freight rates.

Shanghai already heavily feels the bad effects of shortage in bottom space. As early as late last fall, local flour mills placed in Australia big orders for almost 50,000 tons of Australian wheat. Yet up to this day no bottom space prepared to carry this wheat to Shanghai has been found; the wheat still remains in the Fifth Continent, and local flour mills had to curtail production to less than one-sixth of capacity. On the Bombay-Shanghai run, cargo space is insufficient to transport here all of the raw cotton ordered by local cotton spinning industries.

### Blue Funnel Finale

Increasing volumes of Indian cotton for Shanghai have to be forwarded across the Indian Peninsula by rail, and have to be shipped from Madras at greatly increased expense in specially chartered vessels. The egg products export begins just now, but the boats of the British Blue Funnel Line which used to carry to England the bulk of the London egg tonnage have just ceased to venture into waters north of Hongkong. And it is shipping difficulties which are chiefly responsible for the current threat to Shanghai's coal supply, forcing the Shanghai Power Company to enact curtailments of industrial sales of electric current, and thereby enforcing reductions in local industrial production in general.

Chief immediate reason for Shanghai's increasing difficulty to find sufficient bottom space to carry cargo to and from this city, is the heavy reduction of British shipping in Far Eastern waters which in turn, is a result of the European war. Mercantile tonnage under the Union Jack, entering from and clearing for abroad, in Shanghai as well as in all China ports together, decreased by 75 percent since the outbreak of the European war. The British share in China's foreign shipping during the same period suffered a curtailment from 26 to 11 percent. These percentage figures do not yet take into account either the recent withdrawal from China and Japan shipping of the Blue Funnel vessels, or the recent commandeering by the British Admiralty of additional tonnage which during this year's first few weeks was still active along the China coast.

### Japanese Shipping Increases

In tonnage figures, a comparison of January, 1941, shipping returns for Shanghai and China outports with the figures for August, 1939, the last month before the European war, shows a 10 percent increase in Japanese shipping. Vessels under the Rising Sun flag entering from and clearing for abroad in all China ports aggregated 1,100,000 tons monthly just before the war in Europe, and 1,232,346 tons in January this year.

Their share in China's foreign shipping, however, shows a huge increase from 40 to 70 percent because most other nations' China shipping experienced a sharp reduction. Total tonnage entered from and cleared for abroad on the whole China coast during the first month of this year was 1,764,502 tons, i.e. almost one million tons less than in August, 1939. Of this reduction, Shanghai alone accounts for more than half, viz., for about 550,000 tons, and for the decline of Shanghai's foreign shipping the British are chiefly responsible. British mercantile tonnage engaged in shipping between Shanghai and abroad was 554,00 tons in August, 1939, but had dropped to onlv 127,542 tons in January this year.

"Hullo! Going My Way?"

*Low in News Week*

### Winning The War

Clearly Britain and her Allies are in no position, for the remainder of the European war, to expand their Far Eastern shipping. London now regulates almost half of the world's entire mercantile tonnage and has to think primarily about supplying the British Isles and winning the war. Chances are that the future will see the withdrawal from West of Singapore of additional British, Netherlands, and Norwegian tonnage. France needs badly what remains of her mercantile tonnage and Shanghai is lucky, indeed, that the Messageries line late last fall resumed its Shanghai sailings to some extent. Japan herself is in great need of additional bottom space; she already concentrated in seas near to her home islands about two-thirds of her merchant fleet, not taking into account her military and naval supply shipping in China waters. Practically the only relief in the field of bottom

*(Continued on Page 72)*

# Japanese Foreign Minister Matsuoka Leaves for Rome And Berlin Talks on "Conclusion" of Tripartite Pact

Diminutive, talkative Yosuke Matsuoka, hot-headed Foreign Minister of Japan, last Wednesday took himself and his firebrand tongue to Siberia's railroad route; to Berlin and Rome, leaving a hiatus in Tokyo's political nerve center but openly voiced expressions of relief in the foreign Embassies which since the

"Oh, Adolf, Adolf!"

*Sweigert in San Francisco Chronicle.*

beginning of this year have suffered hectic days after fevered nights in an abandoned attempt to keep their Governments informed on the latest vagrancies of the Japanese statesman's mercuric foreign policy. What few foreign pressmen remain in Tokyo also gave quiet thanks. Vice-Foreign Minister Ohashi, Matsuoka's stooge No. 1, was discreetly silent.

Official purpose of Mr. Matsuoka's trip to the European Axis capitals was for the "exchange of personal felicitations with the leaders of Germany and Italy in connection with the Tripartite pact." According to official sources quoted by the *United Press* on March 11, the trip was first proposed when the tripartite treaty was concluded...but Mr. Matsuoka previously was "too busy" to take advantage of it. It was also added in this message that the Japanese Foreign Minister "incidentally" would avail himself of the opportunity of making personal observation on the spot of the situation in Europe.

Nine foreign Office representatives were to accompany Matsuoka on his barnstorming tour of Allied bombing zone, including Mr. Tamao Sakamoto, Director of the European Bureau and also Colonel Yatsuji Nagai and Commander Shigeru Fujii, Army and Navy officials.

Mr. Koh Ishii, Deputy Spokesman of the Cabinet Information Board, who released the announcement, declined to answer whether Mr. Matsuoka would stop at Moscow.

Mr. Matsuoka will leave Manchuli on March 17, presumably with General Eugen Ott, German Ambassador to Tokyo, who has left Japan en route to Berlin.

## Official Communique

The official communique read as follows:

"Mr. Yosuke Matsuoka, the Foreign Minister, will shortly visit Germany and Italy to exchange personal felicitations with and meet leaders of Germany and Italy in connection with conclusion of the tripartite pact.

"Views regarding the intended trip were exchanged among the three Governments at time of conclusion of the treaty but the duties of the Foreign Minister have so far prevented him from acting there.

"The Minister will incidentally avail himself of the opportunity to make personal observation, on the spot, of the situation in Europe.

"Members of the suite of Foreign Minister Matsuoka on his trip to Europe comprise Mr. Tamao Sakamoto, Director of the Bureau of European and Asiatic affairs; Mr. Toshikazu Kase; adviser to the Foreign Minister; Mr. Shinsaku Hogen, Secretary of the Foreign Office; Mr. Schichi Hasegawa, Secretary of the Foreign Office; Mr. Yoshio Noguchi, Secretary-interpreter; Mr. Nirokichi Kusano, Chancellor of the Foreign Office; Mr. Toshikazu Nakanishi, extra secretary of the Foreign Office; Mr. Kinkazu Saionsi, extra secretary of the Foreign Office, Col. Yatsuji Nagai and Naval Commander Shigeru Fuji."

## Mission Important

Matsuoka told the Japanese press that he had desired to make a trip to Berlin and Rome ever since the time that the Tripartite Pact was concluded last summer.

"As Japan's Foreign Minister, I am going on an important mission. However, there is no specially hidden mission," he said.

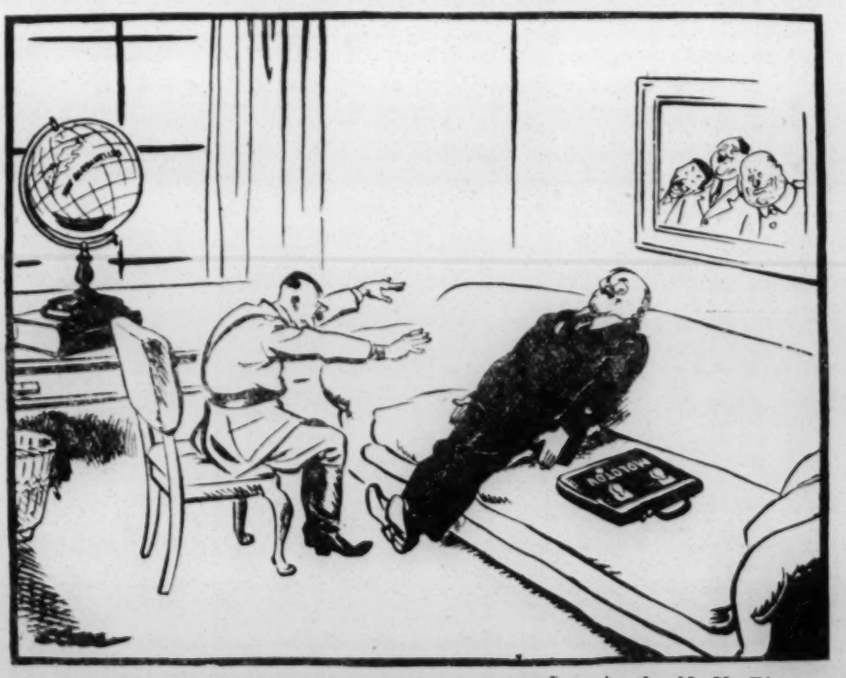
"For the sake of the Tripartite Alliance's future, I intend to conduct the fullest discussion," he added.

"I have never met Chancellor Adolf Hitler, Marshal Hermann Goering or Herr Joachim von Ribbentrop, the leaders of Nazi Germany. Therefore, I wanted to meet them once in order to have heart to heart talks with them.

"I also intend to see important persons in Germany and Italy and preach my long cherished world peace opinion based on the principle of 'hakko Ichiu' (eight corners of the world under one roof or universal brotherhood)."

Meanwhile, the Cabinet has decided that Prince Fumimaro Konoye, Premier, will conduct the duties of the Foreign Minister during the absence of Mr. Matsuoka.

Is He Also Under the Influence




*Low in the N. Y. Times.*

# "Peace" Restored on Indo-China, Thailand Frontier, on Japan's Terms; French Lose 18,000 Square Miles

Peace was restored officially to Indo-China and Thailand in Tokyo on March 11, when plenipotentiaries of these two countries, together with those of Japan acting as mediator, signed an agreement whereby French Indo-China ceded to Thailand large areas of Laos and Cambodia, territories gained from Thailand under a series of conventions dating from October, 1893 to February, 1907.

Negotiations to this end had been proceeding with sundry hitches and delays since February 7, when Japan undertook the role of "mediator."

After the formal signing at the Premier's official residence of three copies of the agreement simultaneously circulated among the delegates, the Japanese Foreign Office issued a statement calling the pact "a cornerstone for the establishment of the Greater East Asia prosperity sphere" and warning that "Japan will not tolerate any obstruction of this program," such as an un-named "Third Power" was stated to have attempted against the negotiations.

## Pride and Spirit

Mr. Matsuoka, Tokyo Foreign Minister, praised the "spirit of mutual comprehension and concession" shown by the French and Thai delegates as well as the "indefatigable efforts" of the mediator, Japan.

The terms as signed were understood to be a modification of the Thailand demands originally endorsed by Japan, certain concessions having been made to France.

French quarters, **United Press** reported from Saigon on March 11, felt that "the loss hurts our pride, but economically it is not important."

Natives of the areas transferred, French sources said, are mainly Kumeres, who dislike their former rulers, the Siamese, and will probably give some trouble when the French withdraw. These are the natives whose ancestors helped build the great temples of Angkor, now included in the ceded area.

## 18,000 Square Miles

Pointing out that about 18,000 square miles of territory, less than one-twentieth of Indo-China, will be ceded to Thailand, French quarters said that only Battambang and Siemreap provinces are economically important. The other area of Laos which will be ceded is economically poor and very thinly populated.

In being forced to cede Battambang and Siemreap, however, the French will lose some of the most valuable rice lands in Indo-China. These provinces produce about 250,000 tons annually of the best rice in Indo-China. This figure, however, is small when compared with the total annual harvest of about 5,000,000 tons.

These areas also produce 100,000 tons of maize, and valuable amounts of pepper which is exported.

The French also will have to give up a large sapphire mine near Pailin, south Battambang, the famed ruins and temples of Angkor, part of the annual fish harvest of 50,000 tons of Grand Lac (Great Lake) and minor rubber plantations.

Over 90 per cent of the "lost areas'" population of 1,000,000 natives and 300 French nationals reside at Battambang and Siemreap, which are the only provinces in Indo-China where modern rice-farming is practiced. Hundreds of American tractors and the newest American agricultural methods are used there.

## Mediation Plan

The essential points of the mediation plan were released in a joint communique issued by the three Powers and follow:

1. France cedes to Thailand the district of Pak Lay which is mentioned in Article 11 of the Convention between France and Siam concluded February 13, 1904, and the region lying to the north of the boundary line between the provinces of Battambang and Pursat, and the region lying on the right bank of the Mekong River bounded in the south by a line running northward along the longitude from a point touching Grand Lac and the southernmost end of the boundary line between the provinces of Siemreap and Battabang, to the crossing point of that longitude and a line of 15 degrees latitude and then eastward along that line of latitude to the Mekong River. However, a small area lying opposite to Stung Treng, on the Mekong River, is reserved for French Indo-China.

2. All of the above-mentioned ceded territories are to be made demilitarized zones and French nationals and the people of French Indo-China are to enjoy absolutely equal treatment with the nationals of Thailand throughout these areas with respect to their entry, domicile and occupations and their pursuit.

3. The government of Thailand will respect the mausolea of the Luang Prebang Royal House situated in the triangular zone lying opposite to Luang Prabang, and afford facilities for its preservation and worship, etc.

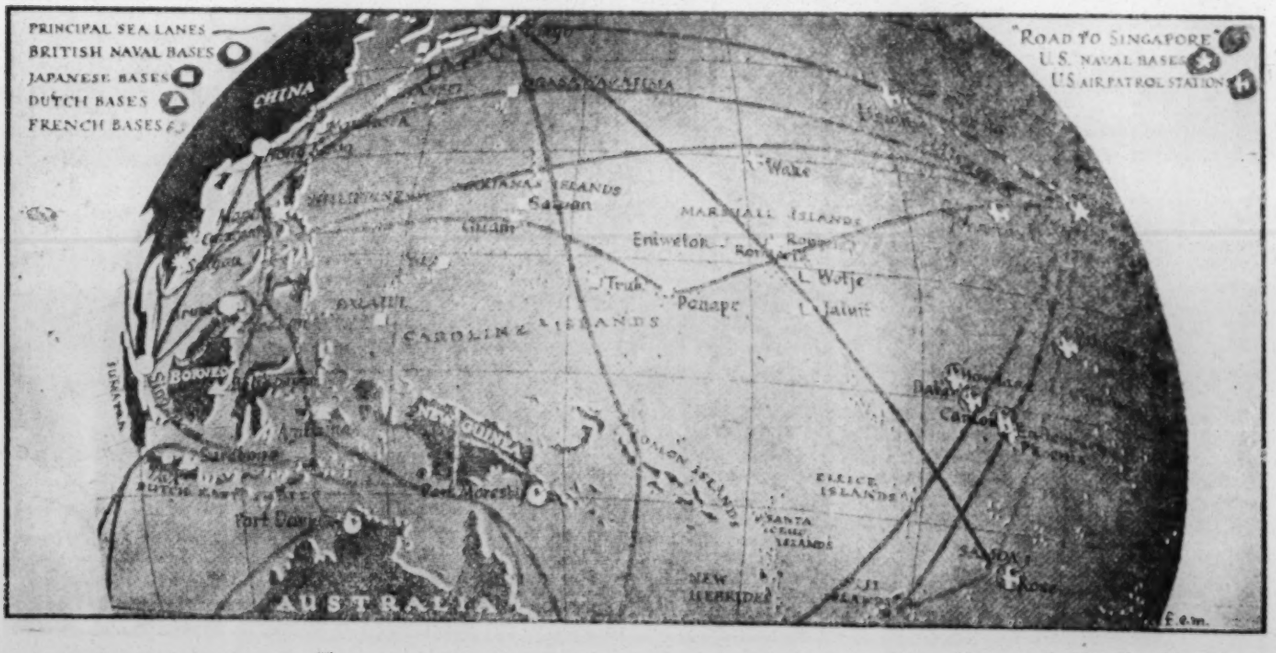
4. The Mekong frontier will be fixed in accordance with the principle of the deep water channel, but the two islands, namely Khong and Khone, will be under the sovereignty of Thailand, and shall be jointly administered by France and Thailand, and existing French establishments on the islands shall belong to France.

In signing the above-mentioned terms, mediation letters were exchanged between Japan and France and between Japan and Thailand which clarified to the effect that Japan guarantees the definitive nature of the settlement of the dispute by the aforementioned terms of mediation. Also agreements will subsequently be made with respect to the maintenance of peace in Greater East Asia and the establishment and promotion of especially closer relations between Japan and Thailand and between Japan and French Indo-China.

## Nanking Hopeful

Bearing of this pact on the situation in China was discussed in Nanking earlier in the week, when official circles

Pacific Domain, Where Japan Seeks Domination




*Newsweek Map by Manning*

of the "National Government of China" there stated, according to **Domei**, that the agreement reached between Thailand and Indo-China would deal a "fatal blow" to the Chungking regime, which is dependent upon Britain and the United States.

Acceptance of Japan's mediation by Thailand and French Indo-China represented decline of Anglo-American political influence in southeastern Asia, they pointed out.

With the increasing defection of overseas Chinese from Chungking's influence, Chiang Kai-shek's position will be further deteriorated, these Nanking quarters added.

A report that Indo-Chinese funds in the United States had been frozen as a result of the agreement was promptly denied in Washington. These funds, it was pointed out, were frozen last June. Several weeks later, however, the Treasury granted to the Banque de l'Indo-China a special license for disposal of some of its funds. This license, it was stated, is still in force.

### Thailand (Domei) Elated

Thailand, according to a Domei despatch from Bangkok, prepared to celebrate in a grand manner the conclusion of the accord with France.

The government in a radio message directed all temples and churches to toll bells and ring gongs when the signing of the accord was officially announced.

The message also urged the population to display Thailand and Japanese flags to "demonstrate Thailand's gratitude for the Japanese mediation efforts."

### Japan's Plans

International observers, interested in the bearing of the pact on Japan's future policies, were told on March 11 by Domei in a New York despatch that "experienced observers in Saigon" had assured the Associated Press that Japan was not planning any forceful advance toward the Netherlands East Indies, or Singapore. Nor did these observers believe that Japan would seek some immediate concession from either Thailand or Indo-China, as price of her good offices as mediator, said the agency.

Japan's principal aims, added the report, appear to be merely economic, with the desire to gain face as a Far Eastern peacemaker also figuring in her offer to mediate.

That the United States would not oppose the transfer of the territories named in the pact from Indo-China to Thailand, Mr. Hugh Gladley Grant, U. S. Minister to Thailand, informed Mr. Naidireck Jaiyanama. Acting Foreign Minister at Bangkok on March 11, according to Domei. Despite the wish of the United States to see the status quo maintained in Indo-China, the return of these areas is regarded as "a special case," Mr. Grant is reported to have explained.

### N.E.I. Conversations

The Governor-General of the Netherlands East Indies, in a decree issued March 10, proclaimed merchant shiping to be a vital war industry, reports the United Press from Batavia, and therefore placed its personnel under the compulsory civilian Service Act, whereby they will not be permitted to leave their jobs at will. Shipping concerns are similarly held to be under control of the N.E.I. Admiralty.

Ships bound for North America were instructed to concentrate for the present on transporting the essential products, tin, latex, and rubber, suspending for one month all traffic in tobacco, cinnamon bark, coconut oil, capok seed oil, pepper and paraffn, according to the same despatch.

A **Domei** report on March 6 suggested that permission would be granted the Java-China-Japan Line to divert two of its ships to the United States, in order to relieve current shipping difficulties. Agents of the N.E.I. government in New York were said to be attempting to charter various American and other foreign vessels in addition.

Dr. Van Kleffens, Foreign Minister of the Netherlands, and Mr. Welter, Minister for Colonies, were reported this week by the **United Press** en route to Batavia from London, to confer with the Governor-General of the East Indies. In addition to studying problems of East Indies policy, the ministers will stop en route to confer with Secretary of State Cordell Hull, says a communique from the Dutch Legation in Washington, quoted by **Havas**.

### "Proceeding Smoothly"

According to **Domei**, the talks between Japan and the Netherlands East Indies are proceeding smoothly and may result in revisions of the export quotas recently allotted to Japan by N.E.I. which became effective March 1. These monthly quotas, based on the export

*(Continued on Page 65)*

# Kweiyang Becomes Municipality This Month Increasing Number In Free China To Eight

**BY A SPECIAL CORRESPONDENT**

Kweiyang—March 1941 is an important month in the history of Kweiyang, provincial capital and leading *hsien* city of Kweichow, as it will be officially made a municipality by the Executive Yuan.

The elevation of Kweiyang to a municipality increases the total number of municipalities throughout Free China to eight—these being, from north to south, Lanchow in Kansu, Sian in Shensi, Chengtu and Chungking in Szechuan, Kunming in Yunnan, Kweilin in Kwangsi, Changsha in Hunan, and Kweiyang in Kweichow. Except in the case of the wartime capital Chungking, which is a special municipality under the direct control of the Executive Yuan, the cities are responsible to their respective provincial governments.

### Municipal Set-Up

The new municipality of Kweiyang, according to a high official of the Kweichow provincial government, will have in the first stages of its existence bureaux of police, public works and public health. Other departments may be added later on when necessary and when the city government can finance them.

A municipal planning committee consisting of members of the provincial government and other organizations has been organized to map out the details for the reconstruction of the city along modern lines. One of the plans drawn up by this committee requires the pulling down of all straw and shabby wooden huts and other untidy old buildings in the slum districts. The first period for this work expired on February 16 when several thousands of such structures were toren down.

### Protection Against Bombing

Low and solid buildings, new and wider roads and fire lanes are to be constructed on the regained space in order to minimize any possible damage from Japanese incendiary bombings. For Kweiyang has learned a costly lesson when its chief business center was almost entirely destroyed as a result of Japanese bombing early in the summer of 1939.

Most likely to become the first mayor of Kweiyang is Lieutenant-General Ho Chi-wu, brother of General Ho Ying-chin and member of the provincial government. A native of Hsingi, Kweichow, he is a graduate of the Whampoa Military Academy and was once garrison commander of the Chaochow-Meihsien area in Kwangtung province. He has held many important civil as well as military posts since his graduation. One of the most active and influential officials of the province, Lieutenant-General Ho is interested in civic reform and has done perhaps more than anyone else in rebuilding Kweiyang into a modern and progressive city.

### To Move Original Hsien

Following the inauguration of Kweiyang as a municipality the seat of the original *hsien* will be removed to Hwachi (Flowery Stream), a small rural town of scenic beauty on the outskirts (19 kilometers out) of the city. Situated in the midst of high mountains, Kweiyang acquired its present name in Ming dynasty, some 400 years ago. It is now the nerve-center of many important highways in Free China, being connected with Chungking, Kunming, Kweilin, and Yuanling (Hunan) by motor roads. The completion of the railway between Liuchow and Kweiyang at the end of this year is expected to further enhance the importance of this new municipality.

The establishment of the municipality is one of the main phases of the 1941 program of the provincial government. Other significant projects include the increase of agricultural production, promotion of industries and the eradication of any traces of the opium evil that may still be lurking in secluded parts of the province following the conclusion of opium-suppression program by the end of last year.

### More Crops Wanted

Governor Wu Ting-chang in a recent conference with leading officials in the provincial agricultural improvement institute gave instructions that agricultural production in Kweichow should be increased this year by planting crops other than rice. Wherever the growing of rice may not be suitable, crops such as corn, sweet potatoes, peas and beans may be planted which are more or less immune to drought. Incidentally, the fear of a poor harvest due to a possible drought this year has been dispelled following the submission of a report to Governor Wu by Director Li Liang-chi of the provincial meteorological station. The report, stating that the lack of rain this spring has been limited to certain localities only, indicates that spring ploughing and sowing will not be affected by the drier-than-usual weather.

Regarding the cleaning up of the drug evil, a recent order issued by the headquarters of the Yunnan-Kweichow military affairs commissioner stated that those found planting, transporting, selling or smoking opium will be heavily punished while those running opium dens will be given the death penalty.

# General Chiang Replies to Two Sets of Demands Made By Communists to Peoples' Political Council

Expressing full confidence in the Government's intention of introducing a constitutional government and in Generalissimo Chiang Kai-shek's leadership of the military resistance, the People's Political Council officially concluded its ten days' session on March 10, states a **United Press** report from Chungking.

During the ten sessions which were presided over in rotation by the elected Presidium, including Generalissimo Chiang Kai-shek, Dr. Chang Po-ling, Messrs. Chang Chu-mai, Tso Shun-sheng and Miss Yu Yi-fang, various proposals were discussed and adopted, detailed reports reviewing their works were made by different Ministers under the Executive Yuan, written reports were submitted by the Legislative, Judicial, Examination and Control Yuans, questions were raised by a number of councillors and duly replied to by the Ministers concerned, but relations between the Central Government and the Communists, and the question of food supplies and prices, held the spotlight of the Council's various debates.

Although the Communist delegates had refused to attend the Council since its convocation, the question of Kuomintang-Communist relations did not actually enter into debate until the adoption of two extemporaneous resolutions by the Council on March 6. These two resolutions were adopted after Council had read a joint telegram despatched by seven Communists, including Mao Tse-tung, to the Secretariat of the Council on February 15, and letters despatched by two "Reds," one of whom was Tung Pi-wu, to the Secretariat on the 2nd inst.

After pointing out that their refusal to withdraw twelve demands presented to secretariat of the P.P.C. had set a bad precedent, the Council unanimously adopted a resolution inviting Communist members to attend the current session of the body. The decision was reached because, after listening to the Government's report, the P.P.C. was convinced that the Government would willingly discuss all problems openly provided the subjects would not conflict with military orders and discipline and the national program of resistance and reconstruction. The Council, stated the resolutions, was an organ for the participation of the people in political affairs. Neither from the standpoint of law nor reason, could it accept conditions for attendance from any member, nor could it press the Government to accept such conditions for attendance, because such action would create an undesirable precedent.

## Demands Listed

The joint telegram of February 15 addressed by General Mao Tse-tung and six other Communists members to the Council's Secretariat contained, according to Kuo Min Report, the following 12 conditions:

1. Cease challenges (to the Communists).
2. Rescind the order of January 17 (for the disbandment of the Newly Organized Fourth Army).
3. Punish the leaders responsible for the South Anhwei Incident, including Ho Ying-chin (Minister of War), Ku Chu-tung (Commander-in-Chief of the Government Forces in the Third, Kiangsu-Chekiang-Anhwei, War Zone), and (General) Shangkuan Yun-hsiang.
4. Restore the personal freedom of Yeh Ting (Commander of the Newly Organized Fourth Army) and reinstate him as Army Commander.
5. Return all rifles to the Newly Organized Fourth Army.
6. Give compensation to the officers and soldiers of the Newly Organized Fourth Army wounded in the South Anhwei Incident, and to the families of those killed during the Incident.
7. Withdraw the Anti-Communist Army from Central China.
8. Remove the Anti-Communist blockade in the North-west.
9. Release patriotic political offencers now under arrest throughout the country.
10. Abolish the system of One-Party Government, and enforce Democratic Government.
11. Enforce the **San Min Chu-I** (Three People's Principles) and obey the (Three People's Principles) and obey the last will of the late Party Leader (Dr. Sun Yat-sen).
12. Arrest the leaders of the various pro-Japanese factions and put them on trial in accordance with law.

## Twelve More Demands

Another joint letter received by the Council's Secretariat from Messrs. Tung Pi-wu and Teng Yin-chao, Communist members, on March 2, made twelve further demands as conditions for the Communists' presence at the Council. These demands, according to **Kuo Min**, were as follow:

1. Cease immediately military attacks on us (Communists) throughout the country.
2. Cease immediately political oppression (against Communists) throughout the country. Recognize the legal status of the Chinese Communist Party and various other political parties and factions. Release all Communist agents arrested in Sian, Chungking, Kweiyang and various other places. Reopen bookshops which have been closed by the local authorities in various parts of the country. Rescind the order prohibiting the despatch by post of books and newspapers concerning the war.
3. Cease immediately all oppression against the **Hsin Hua Jih Pao** (Communist newspaper in Chungking).
4. Recognize the legal status of the Shensi-Kansu-Ninghsia Border Area.
5. Recognize the Democratic political power, based on resistance against Japan.
6. Maintain the **status quo** in the defence areas in North China, Central China and the North-west.
7. In addition to the 18th Group Army, organize another Group Army. The two Group Armies should include six Armies.
8. Release Yeh Ting (Commander of the Newly Organized Fourth Army) and reinstate him in his military post.
9. Release the staff officers (of the Newly Organized 4th Army) arrested in South Anhwei. Give compensation to the families of those killed during the South Anhwei Incident.
10. Return (to the Newly Organized Fourth Army) the rifles which were seized by the Central Government forces in southern Anhwei.
11. Organize a Joint Committee of the Various (political) Parties and Factions, composed of one representative from each party or faction. The committee should be headed by a representative of the Kuomintang as chairman, and a representative of the Chinese Communist Party as vice-chairman.
12. A representative of the Chinese Communist Party should be designated as a member of the Presidium of the National People's Political Assembly.

**President Lin Sen of the National Government at Chungking, welcomes Mr. Lauchlin Currie, Special Envoy from President Roosevelt at Washington. Mr. Currie is seated at the left. Next is Mr. Nelson T. Johnson, U. S. Ambassador; Madame Chiang Kai-shek, and President Lin Sen.**

## Gen. Chiang Replies

These Communist demands were characterized by General Chiang Kai-shek as "just like the demands served the Kuomintang Government by the Japanese prior to Lukuochiao." General Chiang in a speech delivered at the sixth regular session of the Council, charged that Chinese Communists on many occasions in the past two years had violated their pledge made in 1937 to support the Three Peoples' Principles and the National Government.

Regarded by Chungking press circles as one of the most important speeches made in recent years, the complete text of the Generalissimo's speech was reported by Kuo Min from Chungking on March 11.

The hope that the Chinese Communist Party would continue to cooperate with the National Government in bringing the campaign of resistance and national reconstruction to a successful conclusion was expressed by General Chiang.

General Chiang began by pointing out that the Government originally was unwilling to make any report on its relations with the Chinese Communist Party. He was, however, forced to make a public statement on this matter, because the Chinese Communist Party had sent a formal telegram and a formal letter to the Secretariat of the Assembly, containing certain conditions for the attendance of the Communist members at the first Session of the Second Term of the Assembly.

During war-time, General Chiang said, the people must strictly observe discipline and obey the laws and ordinances of the State. He deplored that the members of the Chinese Communist Party, though they are also Chinese citizens, had presented a number of so-called "Rehabilitation Measures" and "Provisional Measures of Settlement," of a hostile character, to the National People's Political Assembly—an organ for the expression of the people's ideas and wishes,—at a moment when the country was actively engaged in resisting foreign invasion. The Communist members, in presenting those demands to the Assembly, threatened to abstain from attending the conference of the

## "Juniors" Carry on Despite Wars and War-Rumors

**Members of the American Junior Chamber of Commerce of Shanghai, who attended the annual meeting and luncheon of the organization, held at the American Club. Those shown in the picture are (seated, left to right)—George H. Greene, Jr., National City Bank, National Councillor and Chairman of the Committee in charge of Chinese language studies; W. H. Mortimer, RCA Victor Company of China, Treasurer; J. Stephen Clark, Warner-Hudnut Company, Past-President; Paul E. Derby, California Ink Company, Vice-President; R. C. Phillips, Globe Wireless, Ltd., President; J. B. Powell, Editor, China Weekly Review.**

**Standing, (Left to right)—James M. Howes, Secretary American Chamber of Commerce; Dr. Erwin Reifler, Sinologue, National Medical College; Hal Gould, R. A. Kreulen Insurance Co.; D. N. Carpenter, Otis Elevator Co.; G. S. Read, National City Bank; J. Lorenzen, American Asiatic Underwriters; J. S. Deatsch, American Asiatic Underwriters; W. E. Brenner, American Asiatic Underwriters; J. T. Janzsen, American Far Eastern Syndicate; Walter W. Briggs, United Press of America; C. T. Carroll, Coca Cola Exports; C. G. Flook, Secretary Am. J.C.ofC., Everett SS Corporation; J. R. Reed, Automatic Telephones Fed. Inc. USA; A. H. Laidlaw, American President Lines; E. H. Mackay, American Express Company; W. G. Fickett, National City Bank; L. Riererstad, China Aluminium Rolling Mills; Paul Kops, Allman, Davies and Kops, attorneys; S. V. Marco, Bentleys Ltd. Radio Service; P. S. Hawkins, National City Bank; John Ahlers, Shanghai Evening Post, financial writer; N. D. Brown, Globe Wireless Ltd.; Kiang Wen Han, Secretary (traveling) National National Y.M.C.A. (Speaker). The Junior Chamber has practically seventy members.**

Assembly unless their demands were accepted. The Chinese Communist Party had thus adopted a hostile attitude towards the Government and the Assembly.

### "Patience, Leniency"

Continuing, General Chiang said that the Government had always pursued a policy of patience and leniency towards the Chinese Communist Party, on the understanding that the Communists must observe discipline and obey the laws and ordinances of the State. The Government has spared no effort to consolidate national unity, so as to bring the campaign of resistance and national reconstruction to a successful conclusion.

The conditions presented by the Communist members to the Assembly, General Chiang said, might be divided into three categories, respectively relating to military affairs, political affairs and relations between political parties. Militarily, the Communists object to the Government punishing rebellious troops who have resisted the orders of the High Command. Politically, the Communists want to create a new political zone and a new political system, in addition to the legitimate National Government. They did not want the Government to suppress the subversive activities of public or private organizations or individuals.

It was clear, General Chiang continued, that the Communists were seeking to utilize the National emergency created by the foreign invasion as a means for the usurpation of political power.

As to the relations between political parties, General Chiang added, the Communists wanted to secure special privileges for the Chinese Communist Party. Communist members of the National People's Political Assembly were demanding special privileges as conditions for their attendance at meetings of the Assembly.

### Traditional Policy

It was the traditional policy of the National Government to nationalize the armed forces, General Chiang added. There could be only one military system. No private individuals or parties have the right to possess or control private armies. The National Revolutionary Army was the only armed force of the State; it did not belong to any political party, but the country.

Politically, General Chiang said, the National Government had always striven for the realization of the Democratic ideals. Citizens who obeyed the laws and ordinances of the State enjoyed perfect freedom. However, there could not be two political powers (governments) within the country.

With reference to the relations between political parties, General Chiang said that, although the actual political influence of the various parties was different on account of their different historical background, yet they enjoyed equality from the moral standpoint. The members of the National People's Political Assembly represented the people, and not political parties.

### Disobedience Deplored

General Chiang deplored that the 18th Group Army disobeyed the orders of the High Command in 1938, and withdrew to the southern bank of the Yellow River on its own authority. Pointing out the importance of transforming the North-west and the South-west into bases of national resistance and reconstruction, General Chiang said the Chinese Communist Party should not regard the 18th Group Army as its private army. He called upon the Chinese Communist Party to fulfil the promises it made in a statement issued in September, 1937, in support of the campaign of resistance. He hoped that the 18th Group Army henceforth would obey the orders of the Military Affairs Commission and move to areas designated by the Commission.

In conclusion, General Chiang declared that there would be no further military action in future aimed at the suppression of the Communists. The disbandment of the Newly Organized 4th Army was necessitated only by considerations of military discipline. Any other military unit which committed the same breach of discipline as the Newly Organized Fourth Army would receive the same punishment.

General Chiang hoped that the Communist members of the Assembly would continue to attend meetings of the Assembly, so that all political questions might be openly discussed. Any resolution adopted by the National People's Political Assembly for the solution of such questions would be accepted by the Government and carried out fully, General Chiang added.

After Generalissimo Chiang Kai-shek, in his capacity of chairman of the Council, had made a summary of the debates, the Council adopted unanimously a manisfesto which was drafted by the Presidium, the proposer of the manifesto, together with Messrs. Chang Chih-chang, Hu Chien-chung, Huang Yen-pei and Chen Po-sheng. The manifesto urged various political parties to give up their old conception of party difference and concentrate on the new ideal of national unity. It also expressed the hope that the Communists would carry out the pledges they made in 1937.

Despite the fact that Tung Pi-wu, Communist member, did not attend the P.P.C., the body re-elected him as one of the 25 "resident members."

## U. S. Aid (Japanese View)

Cartoon in a Tokyo paper shows Uncle Sam pouring out his wealth to aid John Bull, but the money is lost thru holes in the bag.

## "Already Breached"

*Chicago Daily News.*

## "Freedom — A Definition"

"FREEDOM MEANS THE SUPREMACY OF HUMAN RIGHTS EVERYWHERE. OUR SUPPORT GOES TO THOSE WHO STRUGGLE TO GAIN THOSE RIGHTS OR KEEP THEM. OUR STRENGTH IS IN OUR UNITY OF PURPOSE. TO THAT HIGH CONCEPT THERE CAN BE NO END SAVE VICTORY.
PRESIDENT ROOSEVELT
THE ROCK
DEMOCRACY

*New York Post*

## "Hope For France — Perhaps"

*Illingworth in London Daily Mail*

## "Balkan Bandwagon"

Central China Daily News, owned by Wang Ching-wei, prints pro-Axis cartoon depicting Rumania and other Balkan countries on the Axis bandwagon, merrily chasing Churchill —representing Britain—out of the Balkans.

## "Shearing Time In The Balkans"

*Daily Herald, London.*

"If Napoleon Failed, Can Adolf?"

*The Glasgow Bulletin*

"Another Pinchbeck Napoleon Arises."

"The Reconstruction Of Europe"

*Punch in New York Times*

"By A. Hitler, European Contractor."

"Humpty-Dumpty"

*New York World-Telegram.*

"Pity The Bulgarian Sentry"

*New Orleans Tribune*

# Japanese Withdraw From South Kwangtung Sortie in Raid Against Chinese Blockade Running

Whether "voluntarily" or by force, the Japanese South China Forces literally staged another wholesale withdrawal, on a scale second only to their Kwangsi evacuation last year, from the South Kwangtung coast where they landed on March 3. The occupation of the 400-kilometer coastline is now regarded as "unnecessary," stated a *Domei* report from Canton. Meanwhile, Japanese forces in Central China started another offensive west of Ichang.

The Japanese sudden landing, it is recalled, was effected on March 3 when four thousand Japanese troops, covered by a barrage of naval gunfire and aerial bombing, landed at eight points along the western Kwangtung coast from Macao to Pakhoi, and occupied Kuanghaichai, Yangchang, Tienpe, Shuitung, Luichow and Pakhoi, towns which act as shipping centers for the interior, and the homes of many overseas Chinese.

### "Mission Accomplished"

The Japanese sudden withdrawal from these occupied points was started on March 9 and was "almost" completed on the same afternoon. This time the reason was again well explained by a military spokesman of Japanese South China Force who, as reported by *Domei*, said that the withdrawal was ordered as the objective of destroying Chinese bases in that area had been accomplished, stating that "as the stationing of troops at Yeungkong, Tinpak, Shuitung, Laichow, Pakhoi and their vicinity was found unnecessary, our forces have been quietly evacuated." The spokesman eventually declared that the Japanese forces were concentrated at an undisclosed point where they would be in a position to "repeat this type of operation whenever the occasion arises."

According to a Central news agency dispatch quoted by the *United Press*, Chinese reinforcements rushed to the southwestern Kwangtung coast and recaptured Tinpak and Shuitung, between Kwangchowwan and Leukong on March 8. Japanese forces, the dispatch claimed, withdrew to their ships leaving 200 dead behind. Commenting on the recent Japanese landing, the Chinese military spokesman explained that since there were exceedingly few Chinese troops in the strip of the coast on which the Japanese landed, there was little Chinese resistance. However, the spokesman said, severe fighting did take place at Hopu and Toishan, on the western and eastern ends of the new blockade line. There Chinese defenders, despite their numerical inferiority, challenged the invaders before abandoning the towns.

### Goods Confiscated

The Japanese authorities, meanwhile, confiscated goods stored with the Customs at Pakhoi on March 6, after notifying Customs officials. The Japanese authorities, it is said, pointed out that the goods were without doubt destined for Chungking and therefore subject to confiscation.

War in Central China was renewed last week as the Japanese forces operating within the Ichang area commenced to attack the Chinese sector near Ichang in western Hupeh, on March 5. According to *Domei* reports, Japanese forces claimed to have crossed the Yangtze River, storming Chinese pill box positions. The Japanese report admitted that stiff opposition was put up by the Chinese, but claimed to have finally broken through the Chinese first defense line after sanguinary hand to hand clashes. The Japanese forces are now said to be pushing westwardly.

### Japanese Planes Active

Japanese airplanes operating from bases at Ichang, meanwhile, were reported by *Domei* to have severely bombarded Chinese military establishments west of Ichang on several occasions since the launching of the Japanese offensive in this area. Patung, strategic town west of Ichang, might seem to have been the object of the new Japanese campaign, as it was also subjected to repeated Japanese air attacks. On March 8, Japanese forces claimed to have captured Hwafushan, described by *Domei* as the key point of the Chinese defense lines north of Ichang.

No official Chinese report was made thus far with regard to the Japanese offensive near Ichang, but a *Havas* report from Chungking said that Chinese air squadrons staged big air raid over Ichang on March 9. Japanese troops and military positions south of the Yangtze River were claimed to have also been severely damaged during the Chinese air attacks. Another Chinese air maneuver was reported by *Kuo Min* to have been carried out on March 7 at south-western Kwangtung coast where large Japanese troops were concentrated. Numerous Japanese landing troops, were claimed to have been killed during the raids.

### Optimism Continues

Optimism on the part of China in her resistance campaign against Japan was last week once again voiced by Dr. Quo Tai-chi, Chinese Ambassador to Great Britain, who, at a meeting of the London Missionary Society at Westminster on March 5, said that China's prospects in the war against Japan were much brighter than when the hostilities began nearly four years ago. Speaking of China's military strength, Generalissimo Chiang Kai-shek, at a reception for members of the People's Assembly on March 6, said that while there were 120 divisions of Chinese troops at the outbreak of the Sino-Japanese hostilities in 1937, there were at present 300 divisions, of which half were being kept in reserve. As Chairman of the War-Time Bonds Subscription Committee, the Generalissimo last week issued a circular telegram appealing to the people to buy War-Time Bonds.

General Shunroku Hata, late war Minister re-appointed Commander-in-Chief of Japanese Expeditionary Forces in China, was reported by *Domei* to have arrived in Nanking on March 8 to assume his old post. The General urged mutual goodwill between Japan, Manchukuo, and China. The Tokyo War Minister, Lieutenant-General Hideki Tojo, meanwhile, strongly admonished his subordinates against waste in army expenditures, as the army budget was the largest in history. The War Minister admitted that life in Japan was getting harder through shortage of commodities and rise in prices.

"Oil For The Lamps Of China"

*London Daily Mirror.*

# Royal Air Force Gains Strength as Nazi Luftwaffe Threat Looms Larger in Middle East; Italians Still on Run

The Royal Air Force continued to grow more powerful in the Middle East and the Balkans as the Italian menace dwindled and the German air threat loomed larger, a summary of the war situation in South Africa, by **Reuter's** military correspondent, pointed out on Wednesday.

It could be assumed that the Royal Air Force was in a position to give a good account of itself to hold the Luftwaffe and extend its field of activity, independt or as a curtain for the British army. The initiative should not even rest with the German air force.

Soon the weather will undergo a marked change for the better in south-east Europe and for the worse in Africa, making more extensive operations possible in the former area and difficult in Africa.

Hitler, stepping into the breach to save Italy from collapse, to safeguard his back-door and prepare another platform for attack against British interests, is estimated to have assembled abou 1,000 planes for operations on both sides of the Mediterranean. From Rumania, the Luftwaffe has spread to Bulgaria and is establishing bases near the Greek frontier and also, signifiantly enough, near the Black Sea, across which Germany receives oil supplies from Russia.

Its other main bases are in Italy and Sicily. Libya and the Dodecanese Islands both have quotas, as yet small, of Germany aircraft.

There is little doubt that the marked lull in British air activity over Germany and occupied territory has been due chiefly to the weather. It is clear, however, that the Germans are fully alive to the danger of the next British air strokes wherever they may be delivered. Reminders to the German public to take cover are becoming constant.

### Blitzexperiment

Three German formations attacked Malta from different sides at noon on Tuesday according to a communique. A formation of bombers came over the south coast but did not release bombs. Simultaneously, however, several Masserschmitt 110's attacked and machine-gunned a seaplane base. Ground defences were engaged.

This followed two alarms during the morning when the enemy approached Malta, presumably on reconnaissance.

Following the mid-day raid, the enemy approached the coast in the afternoon but was turned away without attacking.

There have how been more than 400 raids on Malta, which according to military experts is be used by the Nazis as a testing ground for **blitzkieg** invasion experiments, results of which are intended for Britain.

Tripoli harbour was again attacked last Saturday night, and bombs dropped on Italian aerodromes in Tripolitania.

In Abyssinia, R.A.F. bombers attacked the aerodrome of Diredawn despite the attempted interception by Italian fighters. A direct hit was also obtained on a train approaching the town, and another on the station at Addagalla.

In the Keren area of Eritrea, troop positions were bombed and machine-gunned while other bombers were harassing an Italian column retreating from Burye and bombed a village near Debra Marcos.

### Italian Cruiser Sunk

An Italian cruiser of the Condottieri A class was torpedoed and almost certainly sunk by a British submarine, stated an Admiralty announcement.

The cruisers was escorted by two destroyers, and for two hours after the cruiser was seen to be hit, the destroyers were seen to be alternately circling round and stopping, evidently for the purpose of picking up survivors.

The Italian Condittieri A clas cruisers are ships of over 5,000 tons, mounting eight six-inch guns. The class originally consisted of four ships, one of which—the Bartolomeo Colleoni—was sunk last July.

The fifth day of the big Greek offensive against the Italian centre in Albania was continuing on Wednesday with unabated fury. Greek troops, stated the Athens radio on Tuesday were pushing on with the utmost determination. Two mountain ranges, where the attack began, had now been cleared almost completely of Italian forces.

The Italians, who have been driven from a network of machine-gun posts cunningly concealed in deep cavities of rocks, are stated to be suffering heavy casualties, with whole detachments being wiped out said a **Reuter** message from London. One of the principal units defending approaches to Tepelini, a key town to Valona harbour, endured particularly severe losses. Nearly all effectives of the 7th Blackshirt Battalion were reported to have been killed.

Prisoners taken include Major Pelligrini, a member of the Fascist Grand Council. Another battalion to meet with disaster was commanded by the Italian Minister of Education, Signor Bottai, who may have been killed. (Greek newspaper on Tuesday claimed Signor Bottai had been killed, together with two other high officials).

A personal message from Mussolini to Bottai was found on the unidentified body of a major, begging Bottai to do everything in his power to stop the Greek advance—"otherwise," said Mussolini, "Fascism would die with a stain upon it. Fascist Italy bases her last hope on your defence. Save her!"

### Mussolini Tours Front

Premier Benito Mussolini ten days ago toured the Albanian front and was almost discouraged over what he saw. Greek correspondents on the central front yesterday said they learned from captured Italian officers, acording to the **United Press** from Athens.

Premier Mussolini's trip, which he made in an armoured car, was intended to bolster Italian resistance and whip up Fascist morale. II Duce went as far as the Tepelini sector, it said. The guneral outlook greatly discouraged him, correspondents reported Italian officers told them.

The correspondents also reported that the Seventh Blackshirt Battalion was partically anihilated in a battle now going on.

Among the few left alive in the battalion was Major Pellegrini, its commander and well known member of the Italian parliament, who was captured, the correspondents said.

An Italian battery commanded by Captain Gianetti, Italian Minister of Corporations, also suffered disastrously. The fate of Captain Gianetti was not known.

Another battalion, presumably commanded by Major Giuseppe Bottai, Italian Minister of Education, fled in disorder, correspondents reported.

Seven Italian minister were reported to have gone to the front to bolster the morale of Italian soldiers.

### MUSSOLINI DIRECTS NEW OFFENSIVE

Premier Benito Mussolini, flinging everything into a last desperate attempt to stem the Greeks in Albania, is directing a major Fascist offensive in that beleaguered country," stated an Athens radio report heard in London on Wednesday.

A **United Press** despatch described a terrific batle in Albania in which the battlefields resembled "cemetries full of Italian dead."

*Newsweek Cartoon.*

# Appalling Living Conditions and Harsh Restrictions Create Growing Restlessness Among Japanese People

BY JAMES R. YOUNG

*(Condensed from the Atlantic Monthly)*

The Japanese people entered 1941 weary of three and a half years of an undeclared war which their army calls holy, and irritated with the sacrifices and deprivations resulting from that struggle. Militarily, the campaign in China was won by Japan. But the real battle is with the millions of Japanese homes affected by death, disease, shortages of food and commodities, and the viciousness of uncontrolled inflation, which has become a serious social-welfare problem.

The Japanese, a regimented and orderly people at home, do not mind the 72-hour week, but they object to four fifths of a pound of sugar monthly, no pure butter, milk only in certain areas, four matches a day, and no cotton or wool for clothes. Rice is short. Wheat is gone. A few extra pennies in the housewife's hand are no longer sufficient temptation to the bird of high cost of living, which has flown out of reach of millions of Japanese families.

Japan is overrun with economic police and thought police.

The first category includes the squads which in two years arrested 688,000 Japanese business men, suspected of bootlegging commodities: foods, metals, medicines, gasoline, leather, cotton, and even tires and tennis balls. The thought police imprison people by the scores—people suspected of not thinking in line with government decrees. If the Spiritual Mobilization Committee orders the people to endure personal sacrifices, the population grumbles, and the duty of the thought-police squads is to round up those who dare to think aloud, at dinner parties or in private group conversations. They have jailed over 1200 professors from colleges and universities. The seriousness of this situation was mirrored by the recent surprise appointment of a Lieutenant General as Minister of Justice and the appointment of Baron K. Hiranuma as Minister of the Interior, under whom the economic and thought police operate. This is part of the army's move to prosecute more severely those who attempt to escape the emergency legislation.

## White Collar Class Hit

Laborers in the giant war-industries plants are earning boom-time wages. The deprivation hits hardest at the white-collar class—the doctor and his nurses, teachers, students, store clerks; their costs of living have mounted three to five times, with no adjustment in wages. The quality of their food has depreciated. The clothes they buy are made of staple fibre and last but a matter of months.

Epidemics are feared. Water is low in the two municipal reservoirs—feeding Tokyo's 6,500,000 people. Scarlet fever, diphtheria, and dysentery are mounting. The water shortage is due to the enormous increase in building munitions, armaments, and heavy-industries plants which have mushroomed around Tokyo. Nagoya, and Osaka. Coming to work in these plants are hundreds of thousands of families. Their demands for water have added to the distress of city authorities in conserving the supply. The army blames the shortage on lack of rain. The public growls and does not believe this explanation. If a citizen grumbles too loudly, he will be summoned by the thought police. If he uses more than his ration of water or electricity, he is chastened by the economic police.

Farmers face the worst rice shortage in years. They blame the lack of rain for poor rice crops. Japan has had to ration rice, her main staple. All this, behind-the-scenes Japanese say, is due to the war in China, and not to a lack of rainfall.

Japanese prefer polished rice—its whiter, full-bodied kernels and flavor have more appeal. In polishing, the bulk content is reduced as much as 30 per cent. The government has decreed that in homes and restaurants at least 70 per cent of unpolished rice must be used with 30 per cent of the polished grain. This is an attempt to cover on fast-depreciating government stores and to meet the shortage brought on by lack of water from mountain reservoirs which feed the irrigation ditches. Heavier rice supplies are needed for Japan's soldiers. Farms are short of labor; wages in factories have drawn men and women to the urban industrial areas; less rice is planted and harvested.

## Forced To Import

Japan is forced to import rice from Burma and Siam (Thailand). To the Japanese the imported grain has not the accustomed taste; it is more costly, and this forces the government to release depleted reserves of foreign currency to help feed the people.

If the present season shows no improvement, there may be a rice famine in Korea and Japan proper this winter, duplicating the serious shortage in Manchuria last season.

Milk consumption in Tokyo has been reduced to 12,000 gallons a day for 6,500,000 people. Powdered milk, always a big item in the grocery stores, is scarce, in part because of the shortage of containers. Butter is a rarity, and the once fine Trappist cheese blocks have disappeared.

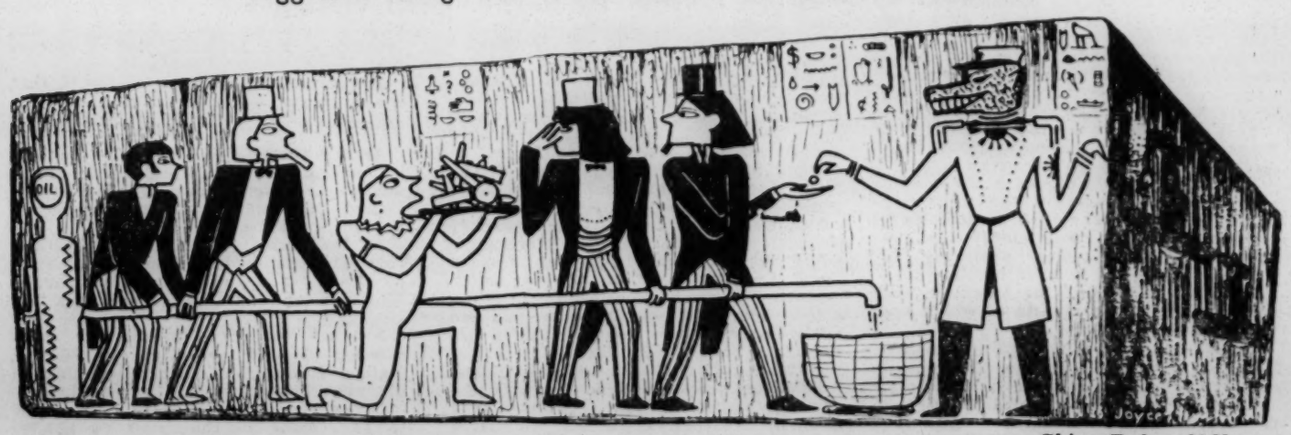
Ice cream is fast disappearing, as is ice itself. Chocolate is no longer imported, and all the spices, oils, and condiments once in favor in so many Japanese homes are gone with China. Even the time-honored custom of serving wine at funerals has come under a ban.

The shortage of rice has cut down on the feed mixtures for chickens; the chicken gets even by producing fewer eggs. Pigs are being slaughtered because there is not enough feed for them. Farm horses suffer because of the feed reservations for the army horses.

## People Restive

Before continuing with this story of privation, one might pause to ask how the Japanese are taking this situation. The Japanese are a docile and patriotic people, and at first they accepted these economic sacrifices as a necessary makeshift. For months the National Spiritual Mobilization Committee sought to maintain the proper point of view among the people. But, despite the Committee, masses of the people have become

Suggested Design For A Far Eastern Cornerstone 1940-1941




*China Today, N.Y.*

pessimistic and all too questioning of the outcome of the war. Those who have money are beginning to hoard commodities. They participate in illegal transactions. They bootleg cotton goods, leather, and rice. Those who have less to spend eat porridge with sweet potatoes, do without medical supplies, thin their rice, and grumble under their breath. One housewife has developed what she claims is a military secret—a brew which looks and smells like coffee but which has actually been concocted from baked sweet potato.

In a year and a half 200,918 persons were hauled in by the Japanese economic police in the city of Tokyo alone for illegal transactions. There are not sufficient jails in the city to hold the violators. Persons detained are finally placed on probation and repeat their offenses, knowing there is not enough cell space to house them if they are again caught. They deal in leather, cotton, woolens, silk, rice, wine, copper, iron, gasoline, lumber, sugar, and many food products.

American and European women left in Japan since the evacuation order their silk stockings from Wilshire Boulevard stores in Los Angeles or Market Street, San Francisco. At controlled government prices, Japanese silk manufacturers, in the land of silk, make no profit. Hence they do not manufacture stockings for local retail stores; they export what they make. The dearth of labor, shortage of electricity, and lack of permits for new machinery have combined to wreck the hosiery industry.

### Stock Up In U.S.

Japanese wives of business men and diplomats, and Americans returning to their homes in Nippon, stock up with a traveling grocery store before they leave Seattle or San Francisco. The quiet Mrs. Kensuke Horinouchi, wife of the former Japanese ambassador to Washington, reached her home in Tokyo in November with a Dutch oven, leather shoes, powdered milk in tins, canned butter, crates of canned goods, particularly tomato juice, cereals, cotton piece goods, clothing, woolens, stockings, frying pans, black tea, soap, cold cream, powders, sterilized cotton, gauze, medicines, sugar, and crates of lemons and oranges—a single orange brings one dollar and a lemon more than that on the bootleg market if it has an American label.

Japan's present government could be labeled a 'staple-fibre cabinet.' In their first enthusiasm the people called staple-fibre material 'patriotic fibre.' Then, as the novelty wore off, the Federation of Women's Societies in Tokyo began to compile a list of defects in staple fibre. Japanese wear split-toe socks. Made of staple fibre, these fell apart after a few washings in boiling water. A cabinet minister complained that his children were buying too many socks, that the maid-servant was extravagant in buying so much toweling; as a government official he found the *ersatz* policy had hit home. Staple fibre undoubtedly saves on importation of American cotton, but, as the women's societies point out, to make the itchy and inferior *ersatz* material the manufacturer requires chemical, coal, water, and special machinery, which, in turn, are badly needed elsewhere.

The sale of cotton goods was prohibited over two years ago.[1] Now even cotton for medicinal purposes is procurable only with a ration ticket, the army and navy excepted. Hospitals have experienced a shortage of cotton gauze and bandages and materials for anæsthesia. The dearth of iodine, aspirin, and quinine makes the situation extremely serious.

### Bare Feet Encouraged

Bare feet are encouraged. Imitation leather is expensive, and staple-fibre shoes last but a few months. In some prefectures, school children have gone barefoot. The army needs the leather on its long march through China. But, with fewer buses and streetcars, the populace must walk, and poorer-quality shoes deteriorate quickly under these conditions.

The once valuable foreign tourist trade is gone. In 1936, the year before the undeclared war on China, the famous Fujiya Hotel had 15,000 Americans and Europeans. The number has fallen to less than 4000.

If you are a hotel manager, this is your dilemma: no more coffee, less tea, restrictions on milk, and no pure butter; steel beds are not manufactured; cotton sheets and towels are prohibited; and the porters and maids prefer to work in ammunition factories. The coal shortage causes guests to complain; elevators must not operate, and there is little profit in the depleted bars.

Japan—as is true of all Europe—has a paper shortage. Candidates for election this year are in a fix—the ballot is shortened and the use of printed matter for campaign material is restricted. Three thousand newspapers and magazines have suspended publication, many under government compulsion, on the grounds that newsprint must be saved. Telegraph banks have been reduced in size, and the government is campaigning to reduce greeting and condolence messages. In Korea, telegrams are accepted only two hours a day, which helps to discourage the number of messages sent. The acuteness of paper shortage affects school supplies, textbooks, paper towels and rolls, and paper windows in Japanese houses. Newspapers have but four pages in the evening and four in the morning. Extras are prohibited.

"Tokyo Parliament Stops Interpellations"

*Eturo Kato in Japan Times and Advertiser*

### Metal Thefts Serious

While the economic police seek out the hoarders, criminal police are looking for thieves in the metal market. People take in their pumps at night. Water thieves steal the water, and metal thieves steal the pumps themselves to sell for military scrap iron. Metal fences, manhole covers, doorknobs, kitchen utensils and gadgets, have a way of disappearing. The metal scarcity has hit the telephone business. No copper wire, and a lack of switchboards, have run the price of a telephone up to over $500, and you wait a year of Sundays to get it. Once you do get a telephone at this price, you can mortgage the the instrument as you would an automobile or tractor, provided the economic policeman does not catch up with your transactions.

Electricity consumption was ordered "voluntarily" reduced 35 per cent. That failed to work, so the government in some areas turned off the current every other day. If you violate the electricity control law, you are liable to three years in jail and a fine up to $1200. Electric refrigerators, irons, washing machines, vacuum cleaners, beauty-parlor apparatus, and dentist's drills are no longer manufactured. There arose

[1] But the government sees to it that Tokyo's 7000 policemen are in new cotton uniforms, made of pure cotton and guaranteed not to wash away in the rain.—AUTHOR.

the problem of power on off days for the armaments factories; the people would not turn off their meters voluntarily. New power lines had to be erected to run electricity exclusively into factories, as the public could not be trusted to keep their lights and fans turned off. The extra lines meant increased use of expensive and scarce copper wiring. Electric clocks would not keep time because the cycle of electric power was so reduced, and have had to be turned off. All such clocks have strips of paper pasted on their faces with the obituary notice 'Not running.' To overcome this predicament, millions of homes and business houses had to buy new clocks of wood frames and metal parts. For a people as prompt as the Japanese must have their clocks—if not electric, then the key winders.

Tokyo is a nine o'clock town—during shortages, the water is turned off at 9 a.m. and the electricity weakens at 9 p.m. If you must read in the evenings, 30-watt bulbs are permitted. Contrariwise, the Minister for Education wants better lighting to aid eyesight, and larger book and newspaper type so that the people can be better trained in reading propaganda. The eyesight gets worse, the newspapers cannot obtain larger type owing to a metal shortage, and the light bulbs are reduced in size, since the import of Chinese tungsten has been cut off by guerilla activities.

### Petrol Rationed

Gas and gasoline are controlled. At 9 p.m. taxis are scarce. Fares are nearly doubled, and the number of taxis halved. After nine o'clock you bribe the driver, who takes you half the distance and then wants a new bribe to finish the trip. Taxis are not permitted to do business after midnight. You can, however, pay a dollar to sleep in the cab until 6 a.m., when the police will permit the vehicle to operate. If late at night you are seriously ill, you walk to the nearest police station, fill out a typical Japanese questionnaire, and, upon approval, are permitted by the police to have a taxi for a trip to a hospital—provided you can find a taxi with gasoline, and provided you have the necessary funds.

To save gasoline, the government allots $500 for each bus and truck as a subsidy to use charcoal-burning apparatus. This is a costly saving. The engines choke, sputter, and stop on slight inclines. In winter they do not heat quickly. High-precision engines were not made to run on charcoal or corncobs. Everywhere on the streets and in the country you see buses and trucks stalled by the wayside. Passengers pick up their bundles and walk. Streetcars run on less power, so fewer streetcars operate.

Lack of coal has reduced the amount of gas available for heating, cooking, and industrial uses. No more can you get gas stoves, gas appliances, or even a small piece of lead pipe if you want the stove moved to another side of the kitchen. The lack of coal miners holds down the production of coal for the gas works. The lack of trains holds up delivery if the coal is taken out of the pits. To replace the men who are in the army or in factories, women and children are working in the mines of Western Japan.

An American business man, just returned from nearly thirty years in Japan, reported to the State Department that Japan's domestic situation is approaching hysteria. The commodity shortages and lack of war materials will become worse. The antiforeign campaign is an attempt by the government to divert the people's attention from their insecurity and lower standards of living. People everywhere are asking, "Why should the war continue? When will it end?"'

Japan is suffering a water drought, but one of the chief and unexplained reasons is the demand for water by factories and the hundreds of thousands of new homes in factory districts. Every plant needs tons of water in its storage tanks. Tons and more are required in the air-conditioned spinning industry, rayon factories, cement plants, leather tanneries and chemical works. Tokyo itself has had a million people added to its armaments population. These people need water; so do their factories. Less than two weeks' water supply is contained in the city's reservoirs. When rain does fall, families turn on the faucets to fill wells or tubs. The water shortage has increased the fire hazard, and, with more combustible areas, the danger has increased.

If your house or office is on a hill, no more water comes through the pipes. You wait for the man with an oxcart to bring the neighborhood supply and send your servant on her wooden shoes with her two bamboo pails to buy some water for today's cooking. The city's trucks cannot fetch water, for they have no gasoline available for the engines. Tires cannot be replaced, because rubber imports are for making tires for export. Metal containers for water are taboo; the government wants these for the armament industries.

Japan's shortage does not portend collapse or famine, but it is very definitely a prelude to severe internal distress, rendering exceedingly difficult the government's efforts to maintain public morale and support of the war in its fourth winter.

### Shipping Shortage

The shortage of common food products affects the masses at home and holds back the development within the occupied zones of China. The Chinese are not raising normal crops, and grow only sufficient food for themselves—not for the invaders. This compels the great Japanese shippers to use most of their vessels for the transportation of food and clothing and medicine to China. Other ships must be diverted to bring maize and rice from Indo-China and Siam—an economic necessity which has seldom before arisen in Japan's existence. As an inevitable consequence, there are fewer ships available for the overseas export trade. Shortages within Japan reflect the sacrifice essential if the troops in China are to be fed and clothed. And this drain is in turn intensified by the withdrawal of gold reserves for importing food from abroad to keep the home kitchens going.

Beyond this shortage (for which there is no Japanese solution at present in sight), just over the rim of the horizon, lie the threat of inflation and the economic consequences of demobilization, if and when the war ends. But that is another story.

## Composite Art

**The above picture is a sample of composite photography by Mr. C. S. Long, who opened an exhibition of his work at the Sun Company March 11, to be continued to March 16. The picture shown here is in the style of classical Chinese panel painting.**

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# Voluntary Reduction of Power Consumption Asked of Shanghai Industry to Meet Coal Shortage Crisis

Many of the problems confronting Shanghai during the past week were concerned with shortages of various commodities. As a result of inadequate coal supplies arriving here, the Shanghai Power Company announced that some method of restricting the consumption of electricity would have to be found. (*Review*, March 8, 1940).

Later in the week it was reported that because of the scarcity of diesel fuel, a reduction in the amount of power supplied by the French Concession Power Company also was necessary.

Specially concerned over these announcements were local industrial circles, most of which rely entirely on electric power for operating their plants. If their power supply is reduced, they will be forced to discharge many of their workers, thus contributing further to the unemployment situation here.

In order to curtail power consumption, and at the same time cause as little inconvenience as possible, the S.M.C. has appointed a commission to study the situation and make a report as to the most satisfactory methods of reduction. However as immediate relief is sought by the power company, the Council has authorized the company to inaugurate a temporary program of its own.

## "Voluntary" Saving

This plan calls for all consumers whose established usage of power since January 1, 1940, exceeded 1,000 kilowatt hours to limit their consumption to 70 per cent of their established consumption. By established consumption is meant the maximum monthly consumption between January, 1940, and January, 1941.

Those who use more than the 70 per cent allotment will be charged three times the normal rate for all kilowatt hours over their allotment. Any consumer whose established usage is less than 1,000 kilowatt hours, will also be charged the triple rate for all consumption above 1,000 kilowatt hours.

The money thus gained will not be used for the Power Company's benefit, but will be placed in a special fund to be used as authorized by the Council for the best interests of the consumers.

## Japanese Protest

Previously the Council had announced that no further applications for power would be accepted by the Company. This included the installation of new fixtures and the expansion of existing establishments. Chief protestors to the whole plan were the owners of Japanese mills here, who said that proposed reductions would reduce production in their plants to 50 per cent of capacity.

Spinning interests in Japan held a meeting in Osaka on February 28 at which they decided to ask the Japanese government to intervene.

Soaring rice prices last week continued to add to the city's difficulties. Number one Saigon rice reached a new high on Tuesday when it sold for $104 per Zah. Native rice while steady, remained at the top figure of $125 per Zah. Although an announcement on Tuesday morning stated that 250,000 sacks of rice were due in Shanghai this week, it apparently had no effect on local prices, as the record high was reached that afternoon.

One report issued here stated that rice exports to Japan were the chief causes of the local shortage and the resulting high prices. However, a statement by the Shanghai Rice and Bean Guild indicated that hoarders were responsible for the rapid increase in prices. The guild report further stated that they were going to take an inventory of all rice stored in godowns in Shanghai. Those individuals found to own large stocks would be reported to Settlement and Concession authorities, with the recommendation that they be prosecuted as hoarders.

Despite the fact that rice prices reached new highs, the sale of cheap flour continued. The Foh Sing Mill

announced that it would continue the sale until 250,000 bags of flour had been sold at the cheap sale price.

A considerable increase in the production of wheat, kaoliang and other grains was shown in North China and Inner Mongolia at the last harvest, according to a report from Tokyo. The report continued by saying that crops in Central China and the lower reaches of the Yangtze showed a marked decrease.

**S.M.C. Industrial Report**

Other industries besides the power Company were concerned lest fuel shortages cause drastic curtailments in production, stated the Municipal Council's monthly report. Reduced family earnings at present with rising living costs would still further depress workers' living standards.

The China General Omnibus Company, Ltd., the Shanghai Electric Construction Company, Ltd., the Shanghai Power Company, the Shanghai Telephone Company, and the Shanghai Waterworks Company, in their annual reports to the Council stated that charges had been increased during the past year. In some instances the charges had been raised twice during 1940.

The total number of prisoners confined in the three sections of Ward Road Jail totaled 8,530, the largest number in the history of the jail. Due to conditions prevailing little or no improvement could be expected during 1941 unless some unforeseen changes occur. A total of 12,597 prisoners were admitted during the year and a total of 12,701 prisoners were released. Many of the inmates were believed to have entered deliberately, preferring prison security to the uncertainties of life "outside."

## Nazis Seek Anglo-Vichy Rift, Britons Believe

Germans obviously were desirous of provoking an Anglo-French naval incident, a spokesman of the Economic Warfare Ministry said on Tuesday when asked to comment on a French warning regarding the British blockade of French food ships.

Admiral Francois Darlan, French Vice-Premier and concurrently Foreign and Navy Minister, on Monday at Vichy publicly told American correspondents that he would order the French Fleet soon to protect French food ships unless the British would show more understanding of France's exceedingly serious food situation.

There were indications however, that Admiral Darlan's threats would not likely change Britain's blockade policy, according to the **United Press** London correspondent.

The Economi cf Warfare Ministry spokesman pointed out that "Admiral Darlan omitted to mention that it was hardly Britain's fault that Germany has refused to allow exports from occupied France, where 80 per cent. of French wheat grows."

Admiral Darlan said that he would not order the French Fleet to escort French food ships for the next few weeks in the hope that Britain would change her attitude. He warned, however, that after that time limit he definitely would order French naval vessels to act as Convoys and thus risk an armed clash.

He also pointed out France was in dire need of wheat and that the Germans had shown a more generous attitude than the British in allowing the French 2,000,000 quintals of wheat earmarked for feeding the German Army of Occupation in France.


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# Chungking People Learn More About Sikang Province

BY WILLIAM CHANG

Since the inauguration of the Sikang Provincial Government on New Year's Day, 1939, the Central Government has paid much attention to this new unit of the Republic. A number of expeditions have been sponsored by different groups and various exhibitions have been held in Chungking and elsewhere for acquainting Sikang with the rest of China and for increasing the interest of the masses in frontier defense and reconstruction. One of the latest government efforts was a photographic exhibit held in Chungking between February 27 and March 2.

The exhibit, symbolizing two years' work of Mr. Chuang Hsueh-peng, noted photographer, was sponsored by the Chungking Office of the Sikang Provincial Government. Mr. Chuang was invited to photograph frontier life and customs from China's most western province of Sikang by General Liu Wen-hui, the governor. The pictures will serve as an important cultural link between the outside world and the frontier province.

## "Land of Welfare"

Divided into categories of climate, resources, life, customs, religion, landscape and races, the collection of 250 pictures gave an eloquent account of the primitive nature of the region as well as its great potentialities. Climatic conditions in this "Western Land of Welfare," as the word Sikang means in Chinese, were depicted by pictures representing the four different seasons.

The months of January, February and March are known as the season of snow, while the next three months are marked by constant rainfall. July, August and September are the "golden" months in Sikang as fine weather prevails most of the time. Then follow the cold months of October, November and December, when ice and sleet make traveling difficult.

## Gold Mine Country

Sikang has many gold mines. A table prepared by the provincial government shows 115 gold veins in the eastern part of the province. The present annual gold production of Sikang will be greatly increased by the introduction of modern mining methods. Gold is most abundant in the lower reaches of the Yalung river, a tributary of the Gold Sand river west of Kangting. Because of its rich deposits, this part of the Yalung River is called by the natives "gold river".

In addition to the Chinese, Sikang is populated by 640,000 Lolos, 320,000 Sifans, 3,000 Miaos and a small number of minor tribes. Natives of Sikang are deeply religious, lamaism being the predominant cult. One-third of Sikang males are said to be lamas. From the pictures showing worship, funerals, weddings and native dances, one easily got some idea of the extent that religion and superstitition play in the lives of the people.

Perhaps the most inspiring were pictures showing the vastness of Nature's endowment in Sikang. Its rich forests, fertile grazing lands, underground wealth, and uncultivated land call for a systematic development of China's wild west. Sikang's importance further lies in its communications as Free China pushes new highways over formerly unconquerable mountains.

## Farming Possibilities

Although most natives lead a nomadic life, agriculture has been developed in Sikang, especially in the rich Ning Territory around Sichang. The annual production of rice in the province was given at 2,509,522 piculs, of wheat 589,699 piculs, of millet 1,920,128 piculs, and of potatoes 1,161,931 piculs. Most of the produce was raised in the Ning Territory, followed by the Kang and Ya territories which make up the eastern part of the province. In 1939, Sikang bred 128,561 horses, 662,033 cattle and 883,685 sheep.

Most interesting were pictures of primitive means of transportation, such as oxskin rafts, suspension rope improvized bridges. The completion of modern motor roads by the end of this year will present a sharp contrast to these primitive scenes.

## Medicinal El Dorado

To the western world, where many Chinese medicinal plants and spices are used in the preparation of tonics, cosmetics and allied products. Sikang is an El Dorado through its herbal medicines, which are popular with the Chinese. Sikang has a rich supply of plants having export value. Its annual production of some of the leading herbal medicines follow: musk, 1,530 catties; fatillaria verticillata, 40,000 catties; rhubarb, 210,000 catties; rosa banksiae, 100,000 catties; native ligusticum acutilobum, 21,000 catties; deer's horns, 25,000 catties cordycepo robertu, 30,000 catties.

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*Daily Herald (London)*

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# Police Annual Report Reveals Remarkable Increase in Crimes of Violence; Murders Increase 300 Per Cent

Violence continued to make Shanghai's front page last week as the police report for 1940 released on Monday by Major K. M. Bourne, Commissioner, startlingly revealed the increase in terrorism which the city has come to take almost for granted:

Exactly three times as many murders occurred in 1940 as in 1936, the last pre-war year,—75 against 25; 64 armed abductions and 16 attempts, against 1 true case and 2 attempts in 1936; $9,306,296.09 of stolen property, compared with $1,329,806.67 in 1936. Increases over the preceding year, 1939, appeared less spectacular than over 1936, but were sharply marked.

Flourishing gambling and narcotic dens in areas just outside Municipal Police jurisdiction, the Commissioner stated, were an incentive to crime during 1940, as was also the economic distress of the populace.

With the doubtful inauguration of the Western Area Special Police Bureau heralded for March 15, it was hoped that civic officials of all municipalities would join to stamp out the flames of terrorism which have leaped even higher in early 1941 than in 1940.

### Shun Pao's Record

It was pointed out in a release this week by Mr. N. F. Allman, Editor-in-chief of the *Shun Pao*, that this paper alone had suffered during the last few months no less than six acts of violence, two of which, including the recent shooting of Mr. King Whading, reporter, have had fatal results.

The first victim, not fatally shot, was Mr. Chu Yueh, supervising editor, in June, 1940. The other attacks, distributed over the intervening months, were made with bombs or hand grenades; in the first of these one printer was killed.

In at least three of the six cases, arrested suspects have admitted their guilt, and have admitted their orders came from No. 76 Jessfield Road, headquarters of the Nanking puppet political police.

### Snatched In Own Car

During the past week kidnappings, shootings and armed robberies continued. Young Mr. Wu Zung-an, 23, was abducted in his own car after an evening at the Eventail Night Club, Yu Yuen Road.

As Mr. Wu's father was formerly a banker in North China and is said to be married to a Japanese, the kidnapping was thought to have a political background.

What appears on investigation to have been a clash between two rival gangs occurred at the Grand Hotel on Yu Ya Ching Road on Wednesday, when four armed men entered a room where Mr. Pang Kung-chien and several friends were playing mah-jong. In the exchange of fire which followed, one of the intruders was believed to have been wounded. All members of both parties had completely disappeared before the police arrived.

### Japanese Raid

Also on Wednesday, a Japanese party "raided" the Tip Top Cafe on Rue Chu Pao San, finding only the book-keeper to question. French police appeared in time to take all concerned to the Poste Mallet station, where the bookkeeper was released. No statement in explanation of the raid was given out.

Wong Hong-zing, said to be a bodyguard employed by the Central Reserve Bank, was wounded in the leg by an unidentified gunman at the entrance to Lane 205, Route Vouillemeont.

Armed robberies also continued. The theft of money and jewelry valued at $1,000 by three men, one armed with a pistol, the others with knives, was reported from 81-82 Hart Road. Echoes of various thefts filled the local courts: a houseboy alleged to have stolen more than $1,000 from Police Inspector Crighton, his employer, and gambled it away was charged in the First Special District Court with having sought to recoup his losses by robbing a sing song house, then trying to hold up a mah jong game in the Green Spot House with a toy pistol belonging to his employer's son. Two Chinese, one the son of the amah involved, were charged in the same court with having aided the house servant in a $8,500 theft at the home of Mrs. J. Kieffel, 2 Columbia Road.

### Russian Accused

E. Kashin, employed by the Evening Echo and also, it is understood, by the South Manchuria Railway, was arrested by the French police on Saturday in connection with several

alleged thefts of motor cars during the past few months. The cars are believed to have been taken to Nanking and sold there.

Frank Kullo, graduate of a local foreign school and a self-confessed drug addict, pleaded guilty in the British Court to theft of several articles of wearing apparel from 12 The Bund and was sentenced to five months' imprisonment.

Cases of extortion and of fraud continued to punctuate court sessions. Crime reports were varied by a minor press controversy over the case of a Chinese constable at first said to have been summarily dismissed for losing his pistol to armed robbers. The case, it was explained, would be judged on its merits.

Another suspect, named Yu, was taken into custody for the abduction of Mr. Percy Chu, and will be tried on March 14 with his three alleged accomplices, previously arrested.

Terrorism seems to haunt Hankow as well as Shanghai, unidentified terrorists being reported to have aimed three hand grenades at a crowded bus in that city, missing the bus but wounding two Chinese pedestrians.

## French Casualties in Europe Estimated

France lost 100,000 officers and men killed, 120,000 wounded, and 1,500,000 taken prisoners during the first 45 days of fighting prior to the French-German armistice last June, it was estimated by Jean Lbusquiere in his book "The Truth about the Combatants." This estimate, according to a **Havas** mesage from Vichy was the first, even unofficial, to have been made of the losses suffered by France.

According to **Havas**, the writer pointed out that the losses as estimated by him for the first 45 days of fighting last year were greater than the first three months of the First World War.

Another **Havas** mesasge from Vichy on March 5 stated that since the French-German armistice, the French merchant marine had lost 107 vessels, most of which had been seized by the British Navy.

## Police, Fire Brigade Estimates Doubled

Police and Fire Brigade estimates for the forthcoming fiscal year, and approved by the Council for submission to the Finance Committee, both show an increase of more than 100 per cent over those for last year, according to an S.M.C. release last week.

Estimates for the Police force submitted to the Watch Committee were $36,997,640; an increase of 114.06 per cent over the corresponding provision for last year. Fire Brigade estimates were $3,035,550, an increase of 100.27 per cent over last year's figures.

The Council treasurer informed the Watch Committee that "substantial" amendments might be necessary in the Police estimates to provide for the formation of the Special Police Force in the Western Outside Road Area, and to provide for pending revisions in the pay and allowances of the Russian Auxiliary Detachment.

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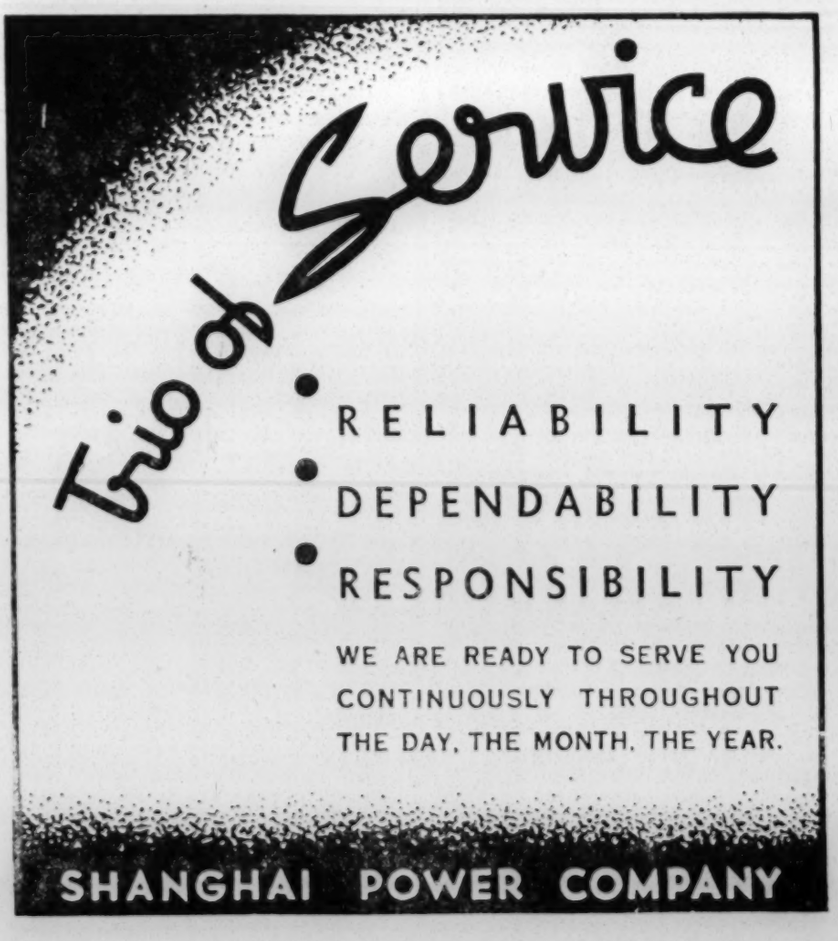

# Committee To Readjust Shanghai Power Distribution; Japanese Cooperation May Possibly Bring Relief

Shanghai's attention was centered last week on the first serious power shortage of the city's history which threatens to curtail the booming production of local mills, affect the employment of labor and, probably, change the pattern of living habits of many individual citizens.

The urgency of the power shortage question was brought sharply into focus by the Shanghai Municipal Council's announcement yesterday of the appointment of a three-man committee of experts to advise the Shanghai Power Company on the problem of future allocation of electricity supplies, states the *China Press*.

The committee of experts is made of the following members:

Mr. N. Mass, technical adviser of the Whangpoo Conservancy Board;

Dr. Chen-nan Li, nationally known Chinese statistician who is a member of the local staff of the Bank of China;

Mr. R. Toyokawa, a Japanese expert, who is a graduate of Harvard University.

The rationing system, if it goes into effect, will be applied alike to the consumers in the Settlement and in the Concession. The Frenchtown power company, it is understood, will follow the system of the Shanghai Power Company.

One of the first jobs of the new committee is to lay down some sort of general rules governing the priority of power supplies. It will be the committee's task to recommend to the Shanghai Power Company and the Shanghai Municipal Council regarding the quota of power supplies to be given various industrial establishments.

The new committee has had several preliminary organizational meetings during the past. Its first formal meeting was due Thursday.

The power shortage which threatens the city today is the result of the inability of the Shanghai Power Company to buy and ship the necessary amount of coal and oil to feed its generating plants. Information given to *The China Press* shows that the Shanghai Power Company is only capable of getting 50 per cent of the oil and coal of the normal requirements of the city's power consumption.

On hand in the Shanghai Power Company coal yards and oil tanks is only a three-month normal supply of coal and oil. When this three-month supply is consumed, the Shanghai Power Company will have no immediate prospect of securing any large amount of additional fuel to replenish the stock.

*The China Press* is informed that the only visible relief of the present situation is for the Japanese authorities to cooperate fully with the Shanghai Power Company and the Shanghai Municipal Council in the matter of releasing coal under their control. Before the outbreak of hostilities in Shanghai, almost the entire coal supply of the Shanghai Power Company came from the Kailan Mines in North China. This supply has now been reduced drastically.

At the present time the largest consumers of the city's power supplies are the Japanese mill owners. Approximately 50 per cent of the industrial power output of the Shanghai Power Company is being consumed daily by Japanese industrial establishments.

### Two Serious Results Loom

Unless immediate and definite remedy of the situation is available within the next month, Shanghai will, for the first time in its history, undergo the experience of power "rationing." This will mean that existing factories will have to be gradually given a decreasing quota of power supplies.

In the event that such a "rationing" system should go into effect, there would be two serious results: (1) Production would be curtailed, leading possibly to reduction of Shanghai's exports; (2) Labor employment would proportionately decrease, thus creating further hardship and misery to Shanghai's already over-burdened wage-earners.

Moreover, the pattern of living habits of many Shanghailanders would probably have to be changed in the event power rationing should go into effect. The power consumption of many of the city's amusement places—nightclubs, theaters, amusement centers, would probably have to be curtailed. There would possibly be a reduction in the allotment of power to electric signs and shop-windows.

Already the Shanghai Municipal Council has announced that daylight saving time will go into effect here this week-end. This step in moving forward the effective period of the daylight saving time is said to be an attempt to help Shanghai in its effort to save electricity.

Meantime, despite the urgency of the power shortage question, much of the discussion is in the basis of study and investigation. The new committee of experts is being set up for the purpose of going more thoroughly, in conjunction with the Shanghai Power Company, into the question of allotment.

It was reported yesterday that the news of the possibility of power curtailment has already over-flooded the Shanghai Power Company with applications for additional and increased power supplies from various industrial consumers. While no new industrial consumers will be given supplies, the committee of experts will study the various applications which the Power Company received.

The committee of experts, having been only appointed recently, has made no recommendations to date. Generally, however, it is said that in studying the future power requirements of the city, the committee will bear in mind the following points:

(1) That the curtailment of power supplies should not affect the enforcement of law and order in Shanghai. This means, all the street lights and public safety devices will not be included in the rationing system.

(2) That the curtailment of power supplies should not affect maintenance of public health. This means that hospital and other institutions which are connected with public health will not be included in the rationing system.

(3) That the curtailment should affect as lightly as possible the city's export manufacturers and large employers of labor.

---

## SINGAPORE TAKES NEW PRECAUTIONS

Residents of Singapore areas in the "east and west coastal regions" of Singapore Island were warned by the British authorities on March 10, according to **Domei**, to be prepared to evacuate on 48 hours' notice. These precautionary measures apply to "areas where it is expected that fighting will take place if Singapore is attacked by sea."

Meanwhile, the despatch continues, the comprehensive defense measures, which began on March 6, entered their second phase, land, sea, and air forces, together with all civilian units, meeting in a simulated attack on the peninsula, with mock bombing raids and complete blackout.

On March 10, 80 Japanese women and children evacuating Singapore, and 8 from Hongkong and Manila, arrived in Kobe on the N.Y.K. liner Hakone Maru. Ship's officers, according to the **Domei** despatch, charged that British authorities, "to annoy Japanese shipping," delayed the ship for 50 hours on the outbound voyage and 34 hours on return, when it called at Colombo for water.

Chinese residents of Singapore, however, according to the same Japanese news agency, are "gradually making friendly approaches to the Japanese." "A traveler from Singapore," says the despatch, reports cold treatment and small collections for General Wu Tiencheng, Chungking Minister of Foreign Affairs, who is said to have been seeking funds among Singapore Chinese. This coldness the traveler is quoted as ascribing to the "firm determination of Japan," manifested in the Tokyo Thailand-Indo-China conference.

Japanese press reports that Chungking troops had been sent into Burma, either to support British defenses or to facilitate transportation of materials to Chungking, were formally denied by Sir Robert Craigie, British Ambassador in Tokyo, who added that there were no plans for entry of such troops into Burma. These reports were also branded as nonsense by Sir Archibald Clark-Kerr, H.M. Ambassador to China, on his arrival in Shanghai from Chungking, via Hongkong.

Elements of the Tokyo press had commented on the supposed presence of Chinese troops in Burma as indicating Britain's "aggressive" intentions toward Japan, and also as a "pitiful" sign of weakness.

Another Tokyo report, via **Transocean**, claims that more and more cases both of desertion and of insubordination are occurring among Indian troops stationed with the British army in Malaya, especially near the Thailand border.

## S.A.S. Teacher Dies In Shanghai

Mr. William W. Burt, a native of Glendale, California, died in Country Hospital yesterday at 9:30 a.m. from encephalitis. He had been ill since Thursday and entered the hospital on

Mr. W. W. Burt

Saturday. Mr. Burt, who came to China in September, 1940, was an English instructor at the Shanghai American School and was also connected with **The China Weekly Review.** He was a graduate of Occidental College. Born in Passadena, California in 1915, Mr. Burt was 25 years-old. He is survived by his mother, who lives in San Diego and a sister in Glendale. Funeral services were held at Community Church on Thursday afternoon, March 13.

## Empress' Birthday Marked in Tokyo

Congratulations from Field-Marshal Prince Kotohito Kanin, other members of the Imperial family and high court officials were received by Emperor Hirohito and Empress Nagako, of Japan, on the occasion of the latter's 38th birthday March 6, according to a **Domei** message from Tokyo.

*(Continued from Page 47)*

control regulations published February 7, are as follows:

Copra, 10,000 tone; palm oil,, 80 tons; palm kernels 40 tons; castor seeds, 500 tons, pepper 25 tons; tobacco, 40 tons; and tea, 16 tons.

The quotas also include tin and rubber.

Authorities informed the Japanese Consulate-General the quotas were based upon Japanese demands during normal times.

Meanwhile the numerical strength of Dutch East Indies armies, according to an Associated Press report quoted by Tass and Domei, has been announced by its Commander-in-Chief General Berenshot to have been increased many-fold. The program, the agency quoted the general as declaring, was designed to create a 3,000-mile chain of fortresses along the equator on strategically located outlying islands. Infantry stationed on the outer islands would protect auxiliary naval bases and "raise the efficiency of airplane and submarine forces which otherwise might be forced to withdraw.

"We never intend to surrender any island, however distant," the General was quoted as saying.

During the last week or two, says Transocean, Java has had its first practice air raid alarms, complete blackouts being ordered in all Japanese towns and villages.

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# Outstanding Events in the Sino-Japanese War A DAY-TO-DAY SUMMARY

*First installment of this day-to-day summary constituting a complete record of outstanding events in the Sino-Japanese war on all fronts appeared in the September 11th (1937) issue of The Review.*

**February 23**

Lieutenant-General V. J. Chuidoff, military attache to the Soviet Embassy at Chungking, held a reception for the diplomatic corps and Chinese officials to celebrate the 23rd anniversary of the Red Army. Generalissimo Chiang Kai-shek was also one of the guests. The Generalissimo's visit to the embassy reception marked a special intimacy in Sino-Soviet relations, said the **Ta Kung Pao.** Dr. Sun Fo, President of the Legislative Yuan, meantime, wired Josef Stalin, Soviet leader, asking for cooperation to eradicate at an early date the international robbery which is holding back justice.

"China is asking too little and America has so much to give. I hope we will not fail you," said Mr. Lauchlin Currie, head of the United States economic mission, at a reception given in his honor by the Sino-American Cultural Association and the Chungking Harvard Club.

Communist participation in the forthcoming National People's Political Council was a matter of conjecture in Chungking. But Chungking quarters emphasized the fact that failure of the Communists to attend the session will not only indicate that they are unwilling to participate in an open discussion of their differences with the Kuomintang, thereby prolonging the deadlock, but will also mean that the Communists are not supporting the very cause for which they have been fighting.

Five Kuomintang workers, Messrs. Lu Hsuan-nan, Chen Chueh-wu, Chang Hsiao-tung, Chu Yu-ching, Chen Wen-pin, who lost their lives behind the Japanese lines while engaging in secret work during the past year, were honored in a memorial service held in Chungking.

⁂

**February 24**

The belief that Japan will ultimately proceed with her southward expansion program, probably in the spring, was expressed in a special article given prominence in the official **Central Daily News.**

Rumors to the effect that Dr. Lauchlin Currie, President Roosevelt's Special Envoy to China, had negotiated in the Kuomintang-Communist rift were emphatically denied by the official **Central News.** It became known, however, that Dr. Currie actually did have a talk with the Communist leader, General Chow En-lai.

Japanese military victory over forces of Generalissimo Chiang Kai-shek is not necessary for settlement of the Sino-Japanese war, because Japan now occupies the "choicest parts" of China, Major-General Takayoshi Tanaka, Director of the War Office Recruiting Bureau, said, regarding the economic development of the occupied areas as Japan's essential task

The 1940 Chinese rice crop was estimated by the U.S. Department of Agriculture at 2,281,000 bushels against 2,602,000 bushels in 1939, attributing the low crop to drought and a shortage of fertilizers, draft animals and farm labor.

Having defeated the Japanese troops at Tsaohsien, north west of Tsao Lake in Anhwei Province, the Chinese troops claimed to have succeeded in entering Chinchicheng, east of Tsaohsien, according to **Shun Pao** report received from Chungking.

⁂

**February 25**

The Japanese Government has decided to ignore growing opinion among parliamentarians for appointment of a temporary acting Premier because of the absence from parliament since Feb. 9 of Prince Fumimaro Konoye, Premier, the "Asahi" said.

⁂

**February 26**

Farewelled by Generalissimo Chiang Kai-shek, Dr. Lauchlin Currie, who has completed his economic fact-finding mission in Chungking, is to leave by plane for Hongkong tomorrow en route to the United States. He will be accompanied by Mr. Emile Despres, another U.S. Government economic expert and his aide.

A fleet of 34 Japanese airplanes raided Kunming, provincial capital of Yunnan. The Japanese claimed to have caused serious damage to warehouses in the western section of Kunming.

The Burma Road will never be cut effectively by attacks from the air, nor will the steady flow of traffic along it to and from China be halted seriously except by a land occupation of the road, concluded a **Reuter** correspondent upon the completion of his ten-day trip down the Burma Road in a convoy of ten lorries. However, his report that 100 tons per day were crossing each way, since ferries replaced the destroyed bridge, contrasts with the 250 tons per day when the road opened.

⁂

**February 27**

Twenty thousand Chinese troops have completed an advance into Burma's Shan state in order to fill the gap caused by the latest shift of British Indian troops in Burma to southern Malaya, the "Asahi" alleged in a report from Bangkok, while a **Domei** report said that the move has been carried out in accordance with the secret Anglo-Chinese Military Alliance concluded at Chungking last month.

Dr. Lauchlin Currie and Mr. Emile Despres arrived in Hongkong by plane from Chungking.

**United Press** report from New York, quoting highest Chinese sources, stated that China will continue her "war of resistance" against Japan "no matter what happens". The course of this resistance will be determined by the amount of assistance received from the United States, according to Dr. Wang Chung-hui, Chinese Foreign minister.

The Japanese are completing an air base at Bias Bay, the official Central News Agency said.

Japanese planes raided Kaikowchen, 60 kilometers southeast of Anking, claiming to have destroyed military establishments.

⁂

**February 28**

British military quarters in Bangkok denied Japanese reports that Chinese troops were concentrated in the Shan states of Burma and expressed some con-


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cern over the present shortage of British troops in Burma.

For the first time since the Sino-Japanese war began, the Chinese Government tried a ration card system in two police districts of Chungking.

Japanese residents of Japan will be stripped of all gold, whether in cash or kind, with enforcement of the compulsory gold purchasing law on March 31, **Reuter** reported from Tokyo.

*
**

**March 1**

The second National People's Political Council held its opening session at an undisclosed place in Chungking. Speeches by Gen. Chiang and President Lin Sen, Chairman of the National Government, featured the opening session. One of the most significant features of the meeting was the fact that Council members attended from Shanghai, Nanking, Manchukuo and other parts of Japanese occupied China. Declaring that the Western Democracies finally have realized China is their bulwark against aggression in the Pacific, Gen. Chiang, in his capacity as Chairman of the Supreme National Defense Council, said that Japan definitely is collapsing due to financial bankruptcy and political disunity. On the other hand, Gen. Chiang said, China's position is steadily improving militarily, politically and economically. China's position on the international front also has steadily improved with more Anglo-American aid to China expected. Summing up China's war aims in two words: "Victory and Security." Gen. Chiang further urged that all parties, whether leftists or rightists must unite to defend the country.

General Shunroku Hata, former Commander-in-Chief of the Japanese forces in Central China and later A.D.C. to the emperor and twice War Minister, has been appointed to his old position of Commander-in-Chief in central China, replacing General Toshizo Nishio who has been appointed a member of the Supreme War Council, **Reuter** reported from Tokyo.

"China's undaunted resistance against Japan is still the strongest defense against aggression in the Far East," declared Sir John Wardlaw-Milne, Conservative Member of Parliament for the Kidderminister division of Worcestershire, in a letter to "The Times." "During the past nine months," he said, "the Japanese army has had no successes but several notable reverses—in Shansi and Hopei in August, along the Lower Yangtse in October and a serious defeat in the Han River valley in November.

The Central Bank, under instructions from the Ministry of Finance, will resume buying and selling of foreign exchange to meet legitimate requirements, it was officially announced in Chungking, **Reuters** stated.

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# Who's Who in China

Ku Cheng-kang, government official, born at Anshun, Kweichow; was graduated from the University of Berlin, Germany; positions once held include: executive member, Central Executive

谷正綱

**Ku Cheng-kiang**

Committee of Kuomintang; executive deputy-chief, Ministry of Industry; director, Central Party Social Affairs Department; member, Central Political Council; deputy-chief of the Fifth Department of the Central Military Committee; chief in the rank of Lieutenant-general, Political Department of the Third War Zone; chief director, Chekiang Party Social Affairs Department; now, Minister of Social Affairs, Executive Yuan, and concurrently Secretary-general of the National Spiritual Mobilization Committee; author of many essays published in various papers and magazines; address: Ministry of Social Affairs, Ling Sen Road, Chungking.

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# Men and Events

Dr. Ludwig Quidde, famous German pacifist leader and Nobel peace prize winner, died at Geneva at the age of 83.

*

Mr. Kazuo Aoki, former Japanese Finance Minister, has been named economic adviser of the Foreign Office.

*

As a result of the war in Europe the Trans-Siberian railway is now reported to be selling through tickets from Japan to only four European countries—Soviet Russia, Germany, Sweden, and Italy.

*

General Shunroku Hata, newly-appointed Commander-in-Chief of the Japanese Expeditionary Forces to China, arrived in Nanking this week.

*

A son was born to Mr. and Mrs. R. C. Phillips on March 6, 1941, in Berkeley, California. Mr. Phillips is commercial representative of Globe Wireless, Shanghai.

*

The Shanghai Czechoslovakian community celebrated the 91st birthday of the late President of the Czechoslovakian Reepublic, Thomas G. Massaryk, March 7.

*

The officers and staff of the British Press Attache's Office in Shanghai were hosts at a reception on March 6 in honor of R. H. Scott, of Hongkong, who is representative in the Far East of the British Ministry of Propaganda. The reception was held at 556 Ave. Haig.

*

Including the amount already collected and that promised, the Salvation Army Annual Appeal Fund for 1941 is expected to reach a total of approximately $210,000, Brigadier B. Morris announced Monday.

*

Figures issued by the Nanking Police Board, stated that at the end of February the population of Nanking was 617,916 persons, showing a decrease of 80 from the previous year. The report also showed an increase of 41 households over 1940 with a total of 140,258.

*

Oversea contributions to Chinese relief from July 7, 1937 to October 1940 amounted to $294,396,357.65. This does not include contributions sent of civilian organizations, investments, nor subscriptions to government bonds, aviation, etc.

*

According to reports from Kiev, Ukrainian scientific organizations are preparing for the observation of the solar eclipse on September 21, 1941. The Kiev observatory will send an expedition to the Koylorda district in the vicinity of Azrettugan lake. The Tashkent observatory will send two expeditions.

*

Denying a report in the **Shanghai Mainichi**, which stated that the contract for the purchase of the Park Hotel had already been drawn up, officials of the hotel said that they were considering expanding their holdings and had no intention of selling. The **Mainichi** report also declared that the purchaser was Mr. Kozuburo Kato of Nagoya.

*

Walter Wessellius has been appointed director of American Red Cross Relief in China in succession to Dr. John Earl Baker, who resigned recently to become director of the Burma Road. Mr. Wessellius came to China several months ago from the Red Cross national headquarters at Washington, to assist Dr. Baker. The American Red Cross Committee in Shanghai reported the receipt this week of large quantities of "cracked" rice and wheat for free distribution to war refugees in China.

The Spanish Catholic Church, located outside the east gate of Changteh, on the west shore of Tungting Lake in Honan Province, was demolished by Japanese air-bombers on March 5, according to **United Press** from Chungking on March 7.

*

M. Jan Crechanowski, who recently was appointed Polish Ambassador to the United States and presented his credentials to President Roosevelt on March 6, is the first representative of an exile government in London to be sent to the United States.

*

The Shanghai Volunteer Corps was increased by 88 men during 1940, according to the Commandant's annual report issued March 6. The report also stated that the Corps' equipment is in satisfactory condition.

*

Dedication services for the new addition to the Community Church were held last Sunday with a large number of members present. Dedication of the new Women's Auxiliary Room took place on Monday.

Mrs. Jane Blandford, who died in Kuling late in Feb. at the age of 83, had been engaged in missionary work in China for 54 years. She was the wife of Edward J. Blandford, the founder of the Northwest Kiangsi Mission. Mrs. Blandford came from Donegal, Ireland.

*

Methodist churches in China, including the Methodist Episcopal, Methodist Episcopal, South, and other branches of the Methodist sect will hold a general convention in Shanghai on March 26 for the purpose of amalgamating all branches into one unified organization. Delegates from all parts of China are expected to attend. All branches of the organization in the United States were merged last year.

Col. DeWitt Peck, Commander of the U. S. Fourth Marines at Shanghai, has been recalled to Washington for duty in the Navy Department. He will be succeeded by Col. Samuel L. Howard, now stationed at San Diego, Cal.

*

French Concession authorities deny the recently published report to the effect that the Nanking Government is collecting the proceeds of the tobacco tax, in violation of the rights of the Chungking Government. They declared that the collection of the tax is similiar to the system in use in the Settlement.

*

The President Pierce which arrived here March 10 brought 8,000 sacks of broken rice from America for free distribution by the local commmittee of the American Red Cross. The value of this shipment is approximately $150,000.

*

Automobiles in Japan are expected to start using anthracite coal gas instead of gasoline, as the results of experiments conducted by the Fuel Bureau of the Ministry of Commerce and Industry which have proved to be successful, it was announced March 4. Because of the "limitless" amounts of coal obtainable in North China and Hokkaido, "anthracite burners" face a great future, it was further stated.

*

On March 8 Mr. Yosuke Matsuoka, Japanese Foreign Minister announced that he would leave Tokyo shortly for a trip to visit Hitler and Mussolini via Moscow. It is believed that one of the aims of this trip is to make further attempts to obtain a friendship pact with Russia. On March 10 the entire Japanese nation celebrated Army day, the 36th commemoration of Japan's victory over Russia in the Russo-Japanese war.


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Twenty-five American missionaries were among the 320 foreigners leaving Japan on the Tatsuta Maru, which sailed for America from Yokohama on March 6.

•

Yujiro Izeki, Secretary of the Tokyo Foreign Office, has been appointed Consul in Peiping and will serve concurrently as Third Secretary of the Japanese Embassy at Nanking, according to **Domei** report.

•

According to **Havas**, the Japanese Director-General of Reconstruction at Peiping, has announced plans for repairing the Paoting-Tientsin canal. The dykes along the entire canal will be repaired and sluices are to be built at Paoting and Paiyangting.

•

Dr. R. J. McMullen has been appointed a member of the Board of Governors of the Shanghai General Hospital. He succeeds Mr. J. W. Carney, who recently left for America.

•

An Oceanographic Research Institute will shortly be established in Foochow for the purpose of conducting researches into oceanographic phenomena observable along the Fukien coast. The Institute will be financed from the British Boxer Indemnity payments.

•

The **North China Star**, which is one of the most widely read English languaguage dailies published in Tientsin, announced on March 5 that the owners would sell a part of their interest to any individual of any nationality. At present it is an American owned Newspaper.

•

Wang Shou-Sheng, 63 years old, who was sent to Kobe, Japan as a deputy consul by the late Ching Dynasty in 1910, and who apparently never returned to China, has been appointed to a position in the Nanking Foreign Office. He returned to China last week and proceeded to Nanking immediately.

•

Major-General Eugen Ott, German Ambassador to Tokyo, departed on March 8 for Berlin. He stated his intention of returning to Japan within three weeks. The **Domei** report stated that Mr. Ott had made reservations to depart daily for several days, but was forced to cancel at the last moment "because of fluctuations in the Far Eastern situation.

•

Peter and John Stephens, who have spent the last four years in Russian jails are reported to have left Chungking for Hongkong on March 9. From there they will proceed to the United States. They left their home in Pennsylvania in 1936 and traveled to Russia via Alaska and the Bering Sea. Upon their arrival in Siberia, they were charged with being American spies and jailed by Soviet officials. Since then their lives have been a succession of Russian jails, until their release last fall.


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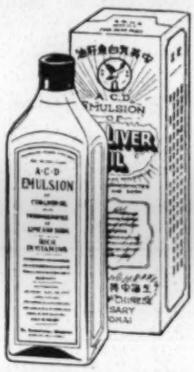

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## Mrs. Crockett Sues Capt. Wiedemann

Mrs. Alice Crocket, well known San Francisco woman, filed a complaint in Federal Court in San Francisco on March 6 against Capt. Fritz Wiedemann, German Consul-General, stationed at San Francisco. Mrs. Crockett alleged that Capt. Wiedemann had sent her to Germany on a "confidential mission," but upon her return had refused to pay her US$8,000 for expenses, which she claimed he had promised. Mrs. Crockett also alleged in the course of the hearing that Capt. Wiedemann had received more than US$5,000,000 from Germany for espionage in the United States and elsewhere in the Western Hemisphere. She also claimed that Wiedehad told her that the Nazi Government planned to promote strife and class hatred for the purpose of undermining the strength of the U. S. She claimed that the German-American Bund was active in secreting large stores of munitions for use in fighting against the U. S. Government and claimed that Wiedemann was the actual head of the Bund and "worked with Col. Lindbergh and Henry Ford, outstanding isolationists." Mrs. Crockett's charges also involved the Princess Hohenlohe Waldenberg, who had appealed against a deportation order issued last January by the Immigration Service.

Capt. Wiedemann

The well known Chinese newspaper **Ta Kung Pao**, previously published in Shanghai, but removed to Chungking when the wartime Capital was established there, has announced the publication of an edition at Kweilin, capital of Kwangsi province. The announcement stated that a printing plant had been established at Kweilin and the first edition was expected to appear on March 15.

*

John Carter Vincent, who was American Consul in charge at Mukden, when the so-called "Mukden Incident" occurred on the night of September 18, 1931, has arrived in Shanghai and will be stationed here. Mr. Vincent came to Shanghai from Geneva, where he was stationed recently. Mr. Vincent is a native of Kansas and a graduate of Clemson College and Mercer University. He joined the U. S. Foreign Service in 1924 and was sent to Changsha in August of that year. He later served at Hankow, Swatow, Peiping, Tsinan, Mukden Dairen, Nanking and at the State Department at Washington.

*

Prof. Ouyang Chu of National Central University at Chungking delivered a lecture on "Chinese Brains," before the Sino-French-Belgian-Swiss Cultural Association in that city recently when he declared that the brains of Chinese are superior to those of other races. He first pointed out that the skull of the "Peking Man" discovered at Chowkoutien, was 30 c.c. larger than the skull of the "Java Man." Prof. Chu said that the 450,000-year-old Peking Man understood the use of fire and was better-cultured. The skull of the Chinese, being round, has a greater capacity than the skulls of other races which are oval, he said. Recent extensive tests had shown that the brains of Chinese children were as well developed as the brains of European children, he said.

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The daily radio announcement of weather forecasts and the issue of weather reports at Hongkong was stopped last Wednesday. This coincides with measures taken in England at the outbreak of the war.

*

A total of 1,565,560 persons were living in areas under the jurisdiction of the Shanghai Special Municipality during February, according to Central Press, a Nanking organ.

*

The joint police bureau in the western district was opened March 14. This bureau is under the control of the Shanghai Municipal Council and the Greater Shanghai Municipal Government.

*

Two former officers with the Nanking troops in Pootung were executed in Pootung last Sunday. They received the death sentence for participating in the kidnaping of Dr. Ting Zoong-yin, well known Shanghai resident.

*

Funeral services for Mr. Henry L. Park, well-known Chinese teacher and scholar who died March 10 were held March 11 in Shanghai. Mr. Park was 57 years-old.

*

Mr. Martin J. C. Woo, former secretary of the Shanghai Special Municipality, has been appointed to the Ministry of Social Affairs of the Nanking Government.

*

Dr. John Earl Baker, newly-appointed chairman of the Burma Road Highway Commission, arrived in Chungking March 10 to assume his new duties.

*

Mr. Gutzon Borglum, 73 year-old sculptor, died in Chicago on March 7. Mr. Borglum, who was renowned for his carving of huge masterpieces, was applying the last touches to the gigantic figures of American presidents in the Black Hills.

## Eugene Pomeroy Now in India

Eugene Pomeroy, formerly a member of the staff of **The China Weekly Review**, is now stationed in the Deccan, some 300 miles south of Bombay, where he is training to become a British Indian Army officer. Mr. Pomeroy was the first American in Shanghai to volunteer for service in the war. He departed from Shanghai in November last year with a contingent of British young men and first went to Singapore. In a letter to friends in Shanghai, Mr. Pomeroy stated he had selected the Infantry Branch, but as yet had no assurance where he would be sent, whether to Africa or to the Indian Northwest.

Mr. Pomeroy is a native of Hopewell, New Jersey, where his parents reside. He is a graduate of Princeton and first worked on the **Washington Post**. After arriving in Shanghai, he joined the staff of **The China Press**, but later resigned to join **The Review**. In his letter, Mr. Pomeroy said that German propaganda regarding India should be discounted because the British Indians were becoming more and more interested in the war, particularly because of the brilliant record of the Indian troops in the African campaign. The first thousand Italian war prisoners, taken at Sidi Barrani were disembarked at Bombay the first week in January and this naturally stimulated Indian interest in the war.

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# New Books of Interest in the Far East

## FIVE BOOKS THAT SHOOK AMERICA

The following brief review of five notable books published in the United States in 1940 appeared in the annual book review section of **Chicago Daily News.** It was written by Sydney Justin Harris. Otto D. Tolischus, whose book is reviewed, is now correspondent for The **New York Times**, in Tokyo. The reviews follow:

From Berlin Pulitzer-Prize winning Otto D. Tolischus drew in taut, biting prose a picture of the Nazi machine and its methodology that few men had conceived before. Collecting into book form his daily dispatches to the readers of the **New York Times,** Tolischus revealed the full, appalling significance of Hitler's plans, his techniques, and the might of his military organization ("They Wanted War," Reynal & Hitchcock. U.S.$3.00).

And again, from England, John F. Kennedy, son of our ambassador to the Court of St. James's, saw the British lion sleeping in the shadow of Chamberlain's umbrella. He saw the Conservatives more concerned with profits than with prophecies, the Laborites preferring forensics to fighting, the leaders unpopular and the populace leaderless. It seemed that the sun had already set on the Empire. ("Why England Slept," Funk. U.S.$2.00).

American economists, too, found new force and vigor among the apostles of democratic flexibility. Breaking sharply with both the orthodox economists and the doctrinaire Marxists, men such as Thurman Arnold and Stuart Chase plotted out future progress through the pragmatic calculus of past mistakes. Attacking the dual problems of monopolistic tendencies and production-consumption lag, Chase proposed a dynamic program of expanding productive facilities and wider purchasing power through increased government spending and extended public works. Such a program, he declared, should be adopted on the Swedish budgetary basis, which distinguishes between running expenses and long-term government investments. ("Idle Money, Idle Men," Harcourt, Brace. U.S.$2.00).

Assistant Attorney General Arnold proposed a regulative program of adequate surveillance over industries tending toward monopoly, with the view toward breaking the log jam of surplus profits, concentration of economic power and the resulting decimation of consumers' incomes. ("The Bottlenecks of Business," Reynal & Hitchcock. U.S.$2.50).

The concept of democratic social reconstruction has kept pace with the new political and economic doctrines. Prof. Harold J. Laski, eminent spokesman for the British Labor party—under new management—set forth England's necessary war course and post-war policies if she is to come out of the storm with her democratic cargo intact. Delivering a double-barreled attack upon imperialism, vested interests, and the social stratification that enabled the Cliveden set almost to scuttle the ship, Laski reinforced Clarence Streit's plan for a United States of Europe controlled by a democratic League of Peoples rather than by an oligarchic League of Nations. ("Where Do We Go from Here?" Viking. U.S.$1.75).

## RUSSIAN WOMAN'S PRIZE NOVEL

**THE FAMILY—By Nina Fedorova: Boston, Atlantic Monthly Press; 1940. 346 pages.**

"The Family" is a warm, human story of Russian boarding house life in Tientsin, telling as it does the tale of a poor but hopeful Russian family which takes in boarders to try to cover expenses.

Broad in sympathy, with much humor intermixed, the book is one which will appeal to all of us in the Orient, seeing as we do all about us the type of characters and life with which the book deals.

This particular Russian family take in as strange a collection of boarders as could be heard of. There is a talkative Slavic fortune-teller, an Englishwoman trying to break the drinking habit, an American soldier and his Russian sweetheart, a sad-eyed Chinese instructor and many more diverse characters.

Then there are the members of the family itself: grandmother, mother, two sons, and a daughter. Around their varied lives the author has written one of the most delightful tales ever written with China as the background.

It is a book that never lets one's interest flag for a moment, and one cannot stop until the last page is reached. Though it won the Atlantic Monthly's US$10,000.00 prize for 1940 and has become a best-seller in America, there is even more reason for it to be popular here in the Orient where we are, whether as onlookers or partial participants, willy nilly a part of the life which the book describes.

It was the privilege of the reviewer to know cultured, charming Nina Fedorova back in the days before 1937 when Nina Fedorova herself lived in a boarding house in Tientsin in which there were roomers of various races and types. It is no doubt from her own actual observations and experiences that the whole book is written.

At that time Nina Fedorova (Mrs. Riasnovsky), while an extremely highly-educated and talented woman, was prevented by the unsettled conditions of her life in Tientsin from putting her talents to work. But her time was not wasted, and if she did not create at that time, she was unconsciously gathering a

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huge mass of observations which she was later to be able to put down in writing when she went to America in 1938 and found there the peace, quiet and inspiration vital to creative writing.

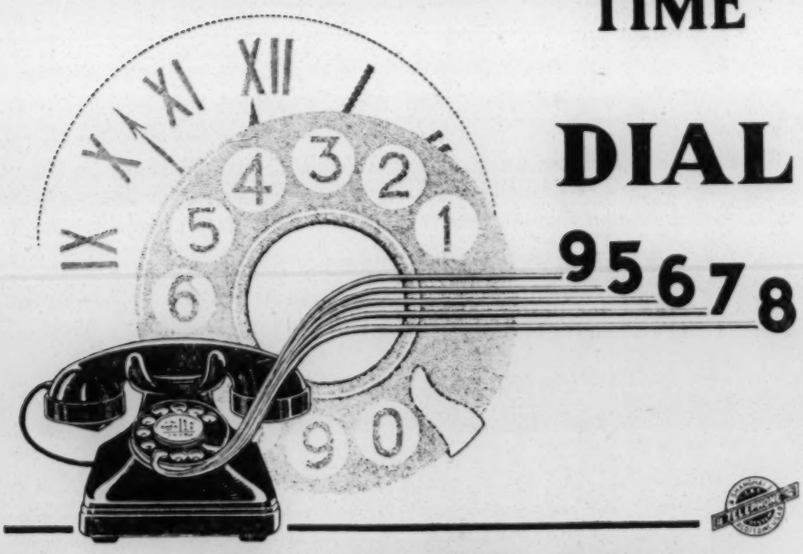
Now that she and her professor hushand have permanently settled down to life in America, and intend to become citizens there, there is no doubt that she will produce further books as absorbing on Russian-Chinese life as this book. This field, while fascinating, is one practically untouched, also, by writers.

No writer is perhaps better equipped to deal with this subject, for following her graduation from a Russian university, Nina Fedorova went to Harbin and married an erudite professor of tribal law, the head of the Russian Law College. With the Japanese occupation of Manchuria, the Riasnovskys, who were distinctly out of favor with the Japanese, were forced to flee to Tientsin, and here this literati couple with their two sons lived a simple, quiet life, known to but few circles, until due to the occupation of North China by the Japanese, and because they wished to accompany their son to college at Eugene, Oregon, they decided to go to America.

More than enough books have been written about China from the exotic angle by what we may call "amateurs" who know nothing of China. Such books are not only agonizing to read to those who know China but generally manage to be dull as well. Here is a book, however, which deals with a section of life in the Far East in a most human and natural fashion. Would that there were more books about China like this one, and would that Nina Fedorova would write them!

**Adeline Gray.**


*For the* CORRECT TIME

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*(Continued from Page 44)*

space Shanghai may hope for can be expected from the United States.

Far Eastern shipping under the Stars and Stripes since the European war's start has increased substantially. It has increased in the direction of Shanghai, too, with now four American shipping lines making the Whangpoo city a regular port of call. During most months last year, American vessels ranked third in Shanghai's foreign shipping. But the American shipping share here is only seven percent. The bulk of American tonnage newly put on Far Eastern runs is not serving Shanghai, but is engaged in sailings to and from Singapore and the Netherlands Indies which lately acquired unprecedented importance among foreign sources of supply for the United States.

### Japan, China Outdistanced

British Malaya alone, in U.S. imports, now accounts for a full one-eighth, and in this field outdistances Japan and China together. Shortage of bottom space in supply shipment from South East Asia naturally more closely concerns U.S.A. than the shipping plight of Shanghai. In recent months, New York rubber futures rose because insufficient shipping facilities resulted in tens of thousand tons of rubber for U.S.A. piling up in N.E.I. ports, and there was serious doubt whether the Philippines would be able to mobilize enough bottom space to fill the Island's U.S. sugar import quota.

Conversations now are under way between Washington and London as regards a world-wide redistribution of British and American mercantile shipping. The accepted principle underlying these conversations is that American shipping should be engaged primarily in the carrying trade to and from the United States as well as between U.S.A. and Latin America, while British shipping ought to serve the other maritime routes. Along these lines, the replacement of British by American tonnage in Pacific shipping is under special consideration.

### U.S. Share Low

In Far Eastern shipping, the American share is exceptionally low. Vessels under the Stars and Stripes today carry some 40 percent of U.S. maritime foreign trade goods, but only 25 percent of the goods shipped between the United States and the Far East. This maladjustment is to be rectified.

Nothing, unfortunately, has become known as regards any intentions on the part of either Washington or London to take care, on this occasion, of the shipping plight of Shanghai. It is but little comforting to us to learn from the news telegrams that the U. S. Maritime Commission drafted a ten-year program for the construction of 500 new merchantmen whereof 62, both freighters and luxury liners ranging from 8000 to 12,000 tons, are to be assigned to Far Eastern routes, and partially to Shanghai sailings. We here do not need new shipbuilding plans, but ships already built and ready to take to sea, and we need them now. It is to be hoped that the big local Anglo-Saxon interests continue to carry enough weight with their home authorities to make their voice heard, and to secure some immediate shipping space relief also for Shanghai.

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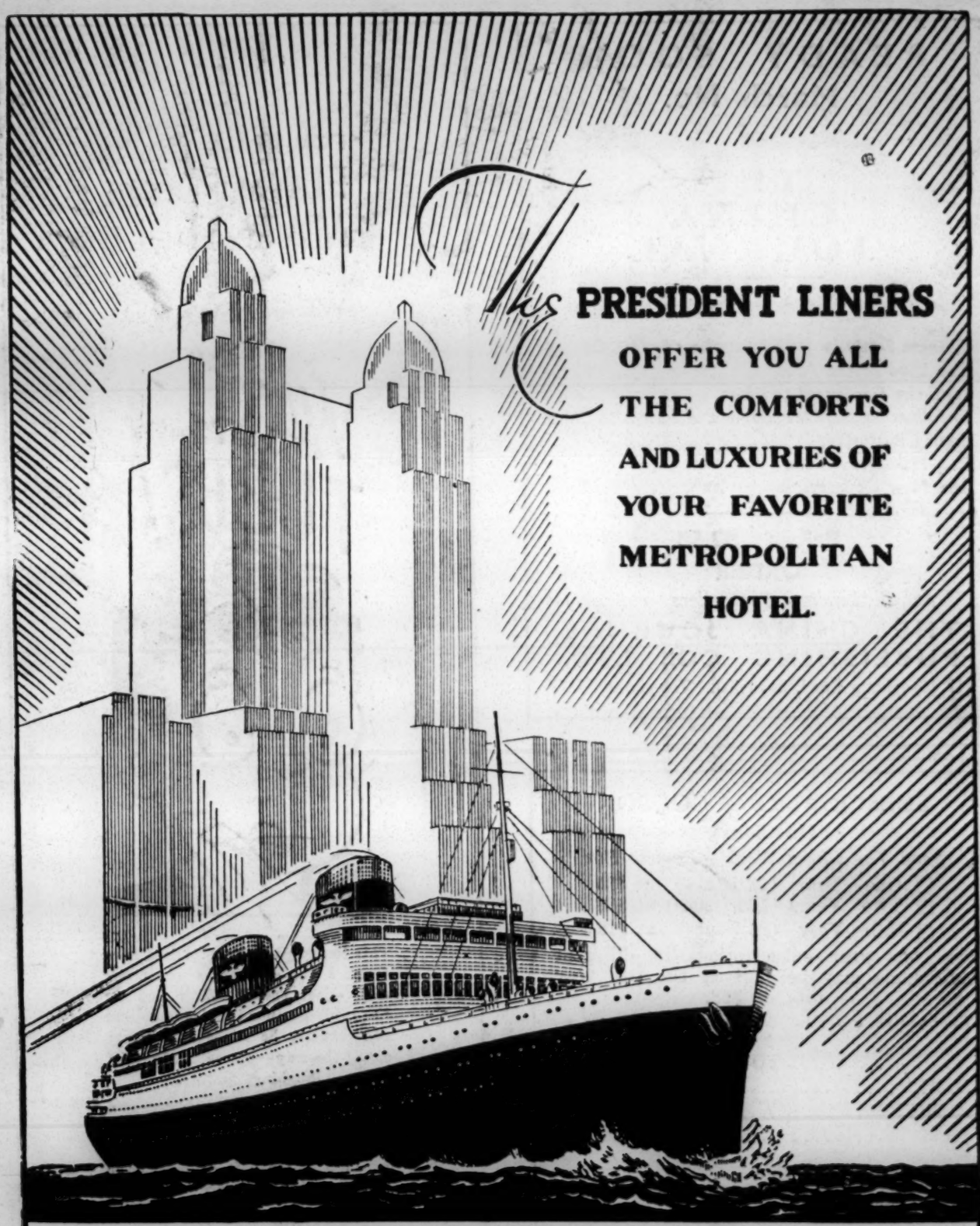


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